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FBIS-LAT-89-205 *25 October 1989*

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Reportage on Upcoming Presidential Summit

Agenda Released

PA2410195189 San Jose LA NACION in Spanish 18 Oct 89 p 8-A

[Report by Mauricio Martinez S.]

[Text] Presidential sources reported on 17 October that Argentine President Carlos Menem will the first guest to arrive in Costa Rica for the presidential summit, at 1800 of 26 October.

Costa Rican Information Minister Jorge Urbina reported that Canadian Prime Minister Brian Mulroney is scheduled to arrive at approximately 2330 that same day. He added that although it is still unconfirmed, a Canadian delegation may arrive prior to the prime minister.

International media has reported that Mulroney will probably announce the entry of Canada into the OAS here at the presidential summit. Canada presently has observer "status" in this organization.

The summit's organization commission has issued the presidential summit's agenda. The agenda—listed at the end of this article—carries only one session of private conversations on 27 October.

A public closing ceremony will be held at the balcony of the National Museum at 1145 of the second and last day of the "summit." This is the only event included in the agenda for that day. After the closing ceremony, President Oscar Arias will inaugurate the Democracy Plaza.

Initially, Dr Arias had stated his interest in having a second meeting with the visiting dignitaries at some time on 28 October.

We asked Miniser Urbina the reason for this change in plans and he stated that several presidents have to leave the country at approximately noon on 18 October. One of the presidents that apparently has to leave is U.S. President George Bush.

Other official sources believe that last minute changes, such as the decision not to sign a joint statement on a previously negotiated project, determined the changes in the presidential summit's program.

Dr Arias and his supporters met with the ambassadors of the countries invited to the presidential summit on 17 October, to give them details of the upcoming meeting.

The following is the presidential summit agenda:

27 October
0930—Last of the delegates arrive
1130—Arias inaugurates presidential summit meeting
1300—Lunch
1500-1800—Private conversations
2100—Formal dinner at the National Museum

28 October
0930—Delegations leave hotel for National Museum
1045—Arias closes summit
1100—Arias inaugurates Democracy Plaza.

Cuba

Malmierca Says Country Willing To Join OAS

FL2510021089 Havana Television Service in Spanish 0100 GMT 25 Oct 89

[Text] Foreign Minister Isidoro Malmierca received this afternoon at the Foreign Ministry the ambassadors of Peru, Argentina, Mexico, Brazil, Venezuela, and the charge d'affaires of Uruguay. They officially handed over the Ica Declaration signed by the presidents of the Group of Eight, or the Permanent Mechanism of Consultations and Political Agreements in that Peruvian city on 12 October.

After the meeting, Foreign Minister Malmierca made the following statement: We formally received today the text of the official Ica Declaration. We have confirmed that in the document the seven Latin American chiefs of states consider that our presence in the OAS would be useful. As Comrade Fidel Castro said, responding to questions posed by reporters in Mexico and Caracas, when Latin American countries consider that our presence in the OAS is useful, Cuba will take into consideration this point of view and will be willing to accept it. If our return to the OAS is convenient to Latin America, under the current circumstances, we will disregard all the negative precedents and will be willing to rejoin the OAS, if this is the opinion of Latin American and Caribbean countries. We will keep in touch with the Latin American and Caribbean governments to learn about the next steps which may be taken on the matter.

U.S. Linked to Drug Production in Afghanistan

FL2410194289 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Oct 89

[Station commentary]

[Text] The Soviet Foreign Ministry has just affirmed that the narcomafia of the Afghan opposition could take the place of the Colombian narcomafia, in part, with the supply of drugs to the United States.

The official report cites concrete facts. The antigovernment groups based in Pakistan participate in the production of drugs in over 200 processing plants. Approximately 800 tons of opium are produced per year in the territories controlled by these groups in Afghanistan. At the same time, the largest heroin factory in the world belongs to the Islamic Party of Pakistan, led by (Bulbudin Heg Magyar).

According to the Soviet accusation, this is one of the reasons for the intransigence of the Afghan antigovernmental elements with regard to a political solution to the conflict in that country. In other words, the Afghan opposition is not interested in peace, but in maintaining instability to cover-up the drug trafficking business.

This Soviet statement, with plenty of details, can turn out to be a time bomb for the whole planet, especially for Latin America, and even the United States. While the U.S. Government calls for a world crusade against drug trafficking, it is also helping support large mafias dedicated to the drug business. This means that the United States is deceiving Latin America, the world, and its own people, because it is not very credible that U.S. secret services do not know what is happening in the territories occupied by the Afghan gangs. The United States is one of the main arms suppliers to the opposition in Afghanistan; it maintains close relations with its chiefs; and it is a loyal ally of Pakistan.

Thus, the support to the so-called provisional Government of Afghanistan, located in Pakistani territory, is a contribution to the activities of the leaders of international drug trafficking. What answer does Washington have for this situation? In particular, what answer can President Bush give? If the U.S. Government is not able to give a clear explanation, we will have before us, not only one of the largest lies in history, but an action of great seriousness in the sphere of international relations.

Commentary on Polish Economy Notes Discontent

FL2410160889 Havana Radio Rebelde Network in Spanish 1800 GMT 23 Oct 89

[Station commentary]

[Text] Reality is far from "La Vie en Rose", as the popular song says. Although 62 percent of the Poles trust the ability of the new noncommunist government, 82 percent feel that the social atmosphere in Poland is bad, even terrible. It appears that the political honeymoon is coming to an end.

The Polish United Workers Party [PZPR] has just opened fire on the liberal economic and social policy of Prime Minister Tadeusz Mazowiecki. The PZPR is demanding the creation of a roundtable to reach a new social agreement. There is much discontent among the population over the never-ending price increases. It is even believed that the spiral could reach the 1,000 percent mark by the end of this year.

The detonator is the government's desire to privatize the production and sale cooperatives. Solidarity calls this de-Stalinization. However, it is one thing to play on words when looking at a situation from the outside, and it is another when looking at it from the inside. The truth of the matter is that the PZPR has actively reproached the government for trying to liquidate the property of the state and cooperatives, in violation of the Constitution which the PZPR declared itself ready to defend.

The chairman of the unions against Solidarity, Alfred Miodowicz, for his part, openly said: We are against the sale of public goods, privatization, unemployment, the limitation of salaries, and against deregulation of prices. Price increases have even affected medicines made in Poland, which adulterates the governing principles of the Polish public health system. This is a very sensitive matter.

But just as sensitive is the government's decision to take from the Armed Forces' reserves thousands of tons of products to cover the deficits in the domestic market. Among those products are: diesel petroleum and fuel, as well as thousands of tons of cereals, beef, sugar, and tea. Naturally, the Polish military must not have liked this measure one bit, even if they have not said anything about it yet.

Castro Attends Reception on Anniversary of Pope

FL2410130789 Havana Tele-Rebelde Network in Spanish 1200 GMT 24 Oct 89

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has attended a reception on the occasion of the 11th anniversary of the pontificate of Pope John Paul II. The reception was given by Msgr Faustino Sainz Munoz, papal nuncio.

During his visit to the nunciature, Fidel also spoke with Msgr Jaime Ortega, chairman of the Episcopal Conference and archbishop of Havana, as well as with other ecclesiastic authorities. In a very fraternal atmosphere, the Cuban president also conversed with representatives of the national press and with ambassadors accredited to our country.

Discusses Visit by Pope

FL2410163289 Havana Radio Reloj Network in Spanish 1502 GMT 24 Oct 89

[Text] Cuban President Fidel Castro has said in Havana that the pope's visit to Cuba will be a very pleasant event. During a reception held to mark the 11th anniversary of the pontification of John Paul II offered by apostolic pronuncio Faustino Sainz Munoz, Fidel Castro said that the head of the Catholic Church appears to have the good intention of coming to Cuba in the near future.

Fidel held a prolonged meeting with ecclesiastical authorities, including Havana Archbishop Jaime Ortega, Episcopal Conference Secretary Carlos Manuel de Cespedes, and the bishops from the western dioceses.

Msgr Ortega said the meeting was held in accordance with the process to improve relations that exist between the church and the Cuban State. Pronuncio Sainz Munoz said he was very satisfied with the talks.

Nation Elected to Red Cross Vice Chairmanship

FL2410134389 Havana Tele-Rebelde Network in Spanish 1200 GMT 24 Oct 89

[Text] Esmildo Gutierrez, secretary general of the Cuban Red Cross, has been elected vice chairman of the Red Cross and Half Red Moon League which is holding its seventh general assembly in the Swiss city of Geneva.

The league's assembly, which meets every 2 years, has elected as vice presidents for the American Continent Gutierrez and Darell Jones, adviser for international services of the Canadian Red Cross.

Esmildo Gutierrez told EFE that his election increases Cuba's responsibility in the task of continuing the effort to the most needy countries, to serve just causes, and to help victims in general. He also said that Cuba can provide experts, technicians, and has a clear will to work for the unity of the Red Cross.

CEMA Meeting on Computer Technology Opens

FL2410214789 Havana Radio Reloj Network in Spanish 2032 GMT 24 Oct 89

[Text] The outlook of the creation of computer techniques with new designs is one of the points of analysis of the fifth meeting of the council of head computer consultants being held at the Vedado Hotel in this capital. With delegations from CEMA member countries in attendance, the participants are assessing the development of their respective countries' scientific-technical programs.

The meeting is hosted by the Central Institute for Digital Research. Its participants are considering the possibility of creating a super-computer among CEMA countries. This requires the contribution of all of its members. The work programs in the computer field until 1995 will also be discussed during the meeting.

Risquet Greets Returning Internationalists

FL2410135789 Havana Tele-Rebelde Network in Spanish 1200 GMT 24 Oct 89

[Text] Over 150 internationalist combatants returned last night from the People's Republic of Angola. The young combatants were received at the airport by Jorge Risquet Valdes, member of the Communist Party of Cuba [PCC] Central Committee Politburo and secretary of the PCC Central Committee, and by officers of the Revolutionary Armed Forces and of the Ministry of the Interior, as well as leaders of mass organizations. The heroes, who have victoriously returned to the fatherland, were wearing the Cuba-Angola Victory Medal.

Haiti

Debt Committee Rejects Conference Proposal

FL2410142189 Port-au-Prince Radio Metropole in French 1600 GMT 23 Oct 89

[Text] The Haitian Committee Against the Debt is once again opening up a discussion on the proposal that a regional conference on Haiti be held. The proposal was made by Venezuelan President Carlos Andres Perez, and French President Francois Mitterrand then approved the initiative.

The Haitian Committee Against the Debt rejects the initiative to hold a regional conference on Haiti put forth

by the French and Venezuelan presidents. In a communique made public this weekend, the committee wonders why Mitterrand and Perez are suddenly examining our situation.

Perez is no saint, says the committee, which recalls the number of people who died in Venezuela following the application of the International Monetary Fund economic plan. As for Francois Mitterrand, the Committee Against the Debt sees him as a colonizer. The committee wonders if through this initiative France is envisioning getting Haiti back under French domination.

The committee officials also feel that President Mitterrand certainly cannot be a friend of Haiti—after having agreed to shelter Jean-Claude Duvalier, alias Baby Doc, and his millions in France. The Committee Against the Debt remains convinced that only the holding of a meeting of the Latin American peoples—through their political organizations and without the imperialists—can help the countries of the Caribbean confront the IMF's policy.

The Haitian Committee Against the Debt calls on the Haitian people to be wary of this idea of holding a regional conference on Haiti put forth by the presidents of Venezuela and France.

The committee's (?watchword): The people did not borrow anything; therefore, they owe nothing and will not pay.

This communique is signed by: Autonomous Organization of Haitian Workers, Students Affairs, National Federation of Haitian Students, League of Former Haitian Political Prisoners, People's National Assembly, and National Alliance of People's Organizations.

Press Highlights Debt, Contraband, CEP

FL2410144589 Port-au-Prince Radio Metropole in French 1600 GMT 23 Oct 89

[Excerpts] The major Haitian papers edited in the United States this week contain articles on the regional conference on Haiti proposed by the presidents of Venezuela and France.

HAITI-PROGRES terms such a regional conference foreign meddling in Haiti. The paper says this is an attempt to promote the holding of elections, an attempt to get elections really held—elections that would realize a president of the kind of democrat the imperialists and their Latin American friends would like to see, stresses HAITI-PROGRES.

Ben Dupuy's weekly points out, further, that France is now working, through Venezuela, to pave the way for the Movement for the Establishment of Democracy in Haiti-Nationalistic and Progressive Revolutionary Party of Haiti [MIDH-Panpra] coalition to take power, playing up the Third World image that Francois Mitterrand puts on. [passage omitted]

HAITI-OBSERVATEUR's headline this week is devoted to the interception last 14 October in the Dominican Republic of four Haitian trucks loaded with illegal products of prime necessity—that is, products for which there was no invoice. The paper says that the owners of these trucks fled, leaving the vehicles and their cargo behind. The day before, the coordinator of the southern bloc of Dominican retailers had accused the military posted in this area of permitting contraband merchandise to enter Haiti, adding that this merchandise is transported openly. [passage omitted]

LE PETIT SAMEDI SOIR this week carries an interview with Finance Minister Leonce Thelusma in which Thelusma declares that the World Bank credit to finance the Carrefour Road was cancelled following the events of 29 November 1987, and that negotiations to find financing for this project are being conducted.

LE PETIT SAMEDI SOIR also discusses the crisis in the CEP [electoral council]. The periodical carries excerpts of the memorandum from government CEP representative Joseph Lesperance to the other members of the council.

For its part, HAITI-PROGRES wonders if the CEP is falling apart because of Lesperance's quote revelations end quote, which the paper terms interesting. HAITI-PROGRES points out that Joseph Lesperance—who in an interview to Radio Antilles [Internationales] last 21 August aggressively defended the quote legitimacy end quote of a $4,000 monthly salary and gave some almost cryptic answers to certain questions regarding Article 291 of the constitution of 1987 on the elections—is thus obviously not fighting over a matter of principle. [passage omitted]

Bel-Air MOP Holds Congress, Elects Officials

FL2410140289 Port-au-Prince Radio Nationale in Creole 1300 GMT 23 Oct 89

[Excerpts] The political party, Bel-Air Movement for the Organization of the Country, [MOP] yesterday ended its second general assembly. This assembly was held at the Club International on the Freres Road in Petionville. The closing ceremony was attended by several political leaders, delegates from the four corners of Haiti, and party members and sympathizers. One of our reporters was there and has a report on yesterday's ceremony.

[Reporter] This general assembly, the objective of which was to elect a new executive committee for the Bel-Air MOP was held at the International Club on the Freres Road in Petionville on 21 and 22 October.

We noticed a government presence in the person of Social Affairs Minister Arnault Guerrier and Bernard Degraff, the representative of the Ministry of Information. Also present were several heads of diplomatic missions and many Haitian political figures, as well as delegates from several parts of Haiti. [passage omitted]

On the 2d day, there was an election to elect a definitive committee to head the MOP. [passage omitted]

Dr (Gregaire Jean-Louis) was elected party president. Fritz Simon was elected vice president. [passage omitted]

The Bel-Air MOP's new vice president, Fritz Simon, addressed the assembly.

[Begin Simon recording] We think that democracy requires that one makes concessions in order to make progress step by step, (?even if one is within) one's rights. However, sometimes in order to defend one's rights, one need not necessarily exercise violence. One can defend his rights by putting forward his point of view. Of course one is not going to get down on bended knees in front of anyone. One is not going to go and ask for forgiveness or for favors. One will defend his rights with all his strength and stamina. However, one will use all appropriate methods, in order to do so. Thus, one (?mustn't) consider violence in itself a necessity, force that is to permit one to impose one's will on others. [passage omitted] [end recording] Constant D. Pongnon, the leader of the Democratic National Rally Party [Padrana], who was present, also spoke. He said he was a former MOP member, and added that had he not already founded Padrana, in 1981, he would today be a member of the MOP.

[Begin Pongnon recording] If it were not for the fact that Constant D. Pongnon has already founded Padrana in 1981, to wage the struggle against the remnants of Duvalier, Jean-Claude Duvalier, at the side of Gregoire Eugene, Sylvio Claude, [Alexandre] Lerouge [deputy for Cap-Haitien under Jean-Claude Duvalier], and so forth—well, the day after Daniel [Fignole, the founder of the original MOP] returned to Haiti, the day I went to see him and was introduced to him by Arnold Lienal whom you see here, Padrana would not exist today. I would have been in the MOP. [end recording]

The other members of the MOP's executive committee were then elected. A new position was also created within this political party, the position of political coordinator. Marc Guillaume was elected unanimously to this position.

Thus the committee now heading the Bel-Air MOP is composed of: Dr (Gregaire Jean-Louis), president; Fritz Simon, vice president; Marc Guillaume, political coordinator; (Phael Narchais), secretary general; engineer (Eddy Saint-Vil), deputy secretary general; (Feder) Guillaume, treasurer; and (Yves Dufrene) deputy treasurer.

After being installed as the MOP leadership committee, they all said they are going to work to increase the prestige of the MOP, which has declined over the past 3 years.

Jamaica

Talks With Mexico, Venezuela on Oil Imports

FL2410150289 Bonaire Trans World Radio in English 1130 GMT 24 Oct 89

[Text] Jamaica has begun talks with Mexico and Venezuela to increase to 36,000 barrels per day the amount of oil it buys from the two countries. Jamaican Energy Minister Hugh Small said also that Jamaica is considering aluminum joint ventures with Venezuela. Venezuela and Mexico currently supply Jamaica with 11,000 barrels a day each.

Costa Rica

Officer Fired for Allowing Panamanian Incursions

PA2410171589 San Jose Radio Impacto in Spanish 0030 GMT 24 Oct 89

[Text] An officer of the Public Security Ministry, without authorization of Minister Hernan Garron or his superiors, allowed Panama Defense Forces troops to enter national territory.

An investigation carried out by officials of the Public Security Ministry's Legal Department was ordered in the wake of a report that Minister Garron had authorized that incursion.

In Pavones, the site of the incident, ministry officials, based on statements and investigations, concluded that a Panamanian helicopter gunship, carrying Panamanian troops and Costa Rican Civil Guardsmen, had in fact entered national territory on three occasions.

A legal department report submitted to Minister Garron explains the first incursion. Based on its investigations, it states that permission for this incursion was granted upon a request by [Panamanian] Ambassador Dario Arosemena, who claimed that members of insurgent groups were present in Costa Rica.

However, the report adds, the second and third incursions were not authorized; those incursions were unilaterally authorized by officer Carlos Alvarez Segura. The report adds that Alvarez was not fully aware of the situation, because he did not realize that the Panamanian pilot had crossed the border.

Officer Alvarez' mistake, the report states, could be attributed to a lack of clear border delimitations.

According to available information, the Panamanian helicopter entered (Puerto Pilon), at the entrance of (La Yerva), Pavones.

Here is Minister Garron publicly announcing the firing of officer Alvarez:

[Begin Garron recording] We have a report on the Pavones incident involving the landing of helicopters. In view of the report submitted by this ministry's legal department, which concludes that Lieutenant Alvarez violated the rules, I ordered his firing.

The report clearly points out that there was at no time any plan [words indistinct] nor did I order [words indistinct]. [end recording]

Alleged Noriega Opponent Involved in Arms Theft

PA2410223489 Paris AFP in Spanish 2143 GMT 24 Oct 89

[Text] San Jose, 24 Oct (AFP)—Costa Rican authorities reported today that a Panamanian citizen, allegedly linked to an armed movement against General Manuel Antonio Noriega, has been found to be involved in an attack against a police patrol and in the theft of firearms in San Jose 10 days ago. According to the police, the attack was perpetrated by two minors—one Panamanian and one Nicaraguan—who sold the two submachine guns and a revolver they had stolen to law student Jorge Antonio Casasola, reportedly linked to a Panamanian youth group that opposes Noriega, commander of the Panamanian Defense Forces [FDP].

In a raid of Casasola's home, an apartment in the neighborhood of Rohrmoser in the west of the capital, the police also found other arms stolen during other criminal actions between August and September. Authorities are trying to establish the connection, if any, between these two cases.

The attack against the police patrol occurred on 14 October in an area of Rohrmoser under close surveillance because it is located near the U.S. Embassy and the home of Costa Rican President Oscar Arias.

Two San Jose policemen were badly wounded in the action. One of the attackers, the Nicaraguan, was detained 2 days later. According to the authorities, the Panamanian apparently succeeded in leaving the country.

El Salvador

Cristiani Wants To Meet Nicaraguan Opposition

PA2510015189 Panama City ACAN in Spanish 1933 GMT 24 Oct 89

[Text] San Salvador, 24 Oct (ACAN-EFE)—Salvadoran President Alfredo Cristiani today stated his interest in meeting with the Nicaraguan opposition this week in San Jose where he will attend an American summit, in order to receive information on that country's election process.

The Salvadoran president said: "I am interested in talking with the Nicaraguan opposition to learn about the voter registration process in that country and to find out if Nicaragua is fulfilling the pledges assumed in the peace agreements."

The president inaugurated a hospital in San Salvador and later confirmed his participation in the 27-28 October summit in San Jose.

Cristiani emphasized that he will talk with his Central American counterparts about Nicaragua's "failure to abide by" the peace agreements because "it continues to send weapons to the Salvadoran guerrilla groups." He again accused the Nicaraguan Government of supplying weapons to the Farabundo Marti National Liberation Front [FMLN], following the recent seizure of a truck loaded with war materiel in Honduras.

Referring to the time established by the Nicaraguan Government for the registration of voters, Cristiani said that "4 days are not enough to register 1.9 million voters."

Approximately 20 presidents from this hemisphere will attend the Costa Rican summit, where they will discuss drugs, ecology, the foreign debt, democracy, and development, among other things.

Cristiani will travel to San Jose on 26 October with Manuel Pacas, minister of foreign relations; Oscar Santamaria, minister of justice; Arturo Tona, private secretary of the Presidency; Colonel Rene Ponce, chairman of the Joint Chiefs of Staff; Mauricio Sandoval, secretary of information; and David Escobar Galindo, member of the government's dialogue commission.

Cristiani also termed as "unjustified" the request from leftist leaders Ruben Zamora and Ana Guadalupe Martinez, who asked the Italian Government to suspend its aid to El Salvador. Zamora and Martinez are currently touring Europe to request the suspension of economic aid to the Salvadoran Government, which they accuse of violating human rights and extending the war.

"If it really wants peace, the FMLN should worry about stopping hostilities rather than the suspension of aid. It is time to turn words into deeds and stop resorting to strategies," Cristiani stated.

Zamora and leftist leader Aronete Diaz were the targets of dynamite attacks which destroyed their residences last week. The two leaders blamed extreme right groups "which do not want peace" for the attacks, in which two of Zamora's security members sustained injuries.

Nevertheless, Cristiani asserted that the culprit for these attacks "could be the FMLN, which is always angry because its political allies are participating in the democratic process of El Salvador."

Zamora is a member of the Revolutionary Democratic Front, the FMLN's political ally for the last 10 years, and leader of the leftist bloc Democratic Convergence, which participated in the presidential elections held in March this year.

Police Report Plan for Clandestine Radio Repeater

PA2510010589 San Salvador EL DIARIO DE HOY in Spanish 22 Oct 89 pp 3, 18

[Text] Treasury Police reported that a man named Elmer Wilmer Cerna Jimenez has disclosed that there is a plan to establish a repeater for the terrorists' clandestine radio station [Radio Venceremos] popularly known as "Radio Mentiremos" ["Lie Radio"—play on words to rhyme with Venceremos]. The repeater was to be installed at the National University's Faculty of Science and Humanities.

A Treasury Police source reported that Cerna was arrested following a series of investigations that lead to the confiscation from him of a cache of weapons, among which were three Czechoslovak submachine guns, ammunition clips, explosives, and other war materiel.

According to the police report, Cerna worked at the UNTS' [National Union of Salvadoran Workers] so-called "Press and Public Affairs Department" through a contract he signed with UNTS leader Julio Cesar Portillo, who paid Cerna a salary of 400 colons a month plus expenses from money sent as "humanitarian aid from international organizations, especially from the EEC."

Cerna handed over the weapons and said that he had an additional five pistols at the National University's Faculty of Law. He said they were used to arm the "security commandos" during street demonstrations, the police added.

Cerna is a journalism student, and in order to meddle in union activities, he wore a press tag on his shirt, which opened the doors to certain sources of information. He used the union as a cover to protect him when he had to face the authorities, the report says.

In his statement, Cerna said that among the projects that his group was involved in was the establishment of a repeater for clandestine broadcasts to be located at the National University's Faculty of Humanities. Cerna also said that the studios would be at the university also and that the same equipment would be used for propaganda coverage of the university community.

He said that the equipment is already at the Faculty of Medicine and Law, and it consists of an amplifier, a deck-type minirecorder, and a turntable. The plan calls for the repeater to begin operating in early November and is financed by the Swedish Workers Union. According to the Treasury Police report, Cerna said that several dollar donations have already been received from two persons known only as Jorge and Roberto.

Guatemala

New U.S. Ambassador's Statements Praised

PA2510002189 Guatemala City EL GRAFICO in Spanish 22 Oct 89 p 6

[Text] The war against drug trafficking was bolstered this week through the statements of the new U.S. ambassador to our country, Thomas F. Strook.

Political organizations and members of the Coordinating Committee of Farming, Commercial, Industrial and Financial Associations (CACIF), as well as other social sectors had repeatedly expressed their concern over the drug-trafficking problem.

Former Police Chief Col Julio Caballeros once said that an increase in the drug trade would be harmful to national sovereignty and would harm our youth.

The new U.S. ambassador's statements have been well received because the Bush administration undoubtedly will assist us within the framework of its antidrug program.

Political and private sectors fear that now that Colombian President Barco has declared war against the drug trade, "the drug lords" might try to settle in Guatemala, after having already used our country as a "bridge" to transport cocaine to the United States.

Social Democrat politician Mario Solorzano Martinez said that in Guatemala there is limited consumption of cocaine because of its high cost, and that we must unite efforts to eradicate this scourge.

Meanwhile, Hector Mario Lopez Fuentes, secretary general of the National Unification Movement (MUN) said that one of the country's greatest problems is drug trafficking.

Hector Luna Trocoli, deputy of the Union of the National Center (UCN), stressed that the problem is increasing.

Until now, he said, some blows have been dealt to the drug traffickers, but we must admit that none of the top leaders have been arrested.

Congress Summons Former Colonel on Drug Case

PA2410192989 Guatemala City PRENSA LIBRE in Spanish 23 Oct 89 p 24

[Text] The congressional probing commission has again asked Lt Col Hugo Moran Carranza, former director of the Administrative Control Office of the Presidency of the Republic to explain the reason for his dismissal and why the U.S. Consulate canceled his visa.

According to the probing commission, this time Lt Col Moran Carranza has been summoned through the Defense Minister, so that the ranking officer may see to it that Moran Carranza appears before Congress.

Moran Carranza has been summoned for 1 November, when he must clarify his situation, particularly with regard to a drug trafficking case involving two of his former subordinates who are currently facing trial. Congress has summoned Moran Carranza on two previous occasions. However, he did not appear on either occasion because the Army prohibited his appearance before the congressional probing commission.

Some deputies interpreted this as disrespect for Congress by the Army. There were angry protests that did not cease until the defense minister and leaders of legislative blocs met during a lunch at the Defense Ministry.

Honduras

Armed Forces Commander Designate on Plans, U.S.

PA2510023789 Tegucigalpa LA TRIBUNA in Spanish 23 Oct 89 p 7

[Report on interview with Colonel Arnulfo Cantarero Lopez, commander in chief designate of the Armed Forces, by Antonio Pineda Green—date and place not given]

[Text] Colonel Arnulfo Cantarero Lopez, commander in chief designate of the Honduran Armed Forces, has guaranteed that in exercising his duties he will strive to reaffirm the prevailing view that the military school's sixth graduating class is progressive and deeply nationalistic.

Asked if he could guarantee that during his term, the military chief replied: "Sure. We are proud of it and will strive to carry it out."

He was also asked if he would imprint his own spirit and authority to reorient the institution. He said: "Yes. We are prepared to do that. This post does not belong exclusively to one person. Therefore, we are going to create a work team of proven people to allow us to move this institution forward."

On the topic of whether his promotion has served to consolidate and reconcile officers of the same graduating class who also hoped to lead the Honduran Armed Forces, he said the process of selection was very normal.

"This is a normal process that has evolved based on the hierarchy of the persons that make up this institution."

[Pineda] "Is your election within the Honduran Armed Forces final?"

[Cantarero] "Yes, and that was made clear chiefly in the National Congress and in the Senior Council of the Armed Forces (COSUFAA)."

When asked why his selection was moved ahead instead of waiting until January, Col Cantarero said the question was interesting, adding: "It is said that it was done to avoid ongoing rumors and speculation."

"We have heard comments by politicians and other sectors that the election was timely since it dispels a number of doubts," Cantarero said.

When asked if there had been internal purges to move up his nomination, he replied: "Not at all; everything was done normally."

He also denied the election was carried out to keep the politicians from manipulating the appointment of the new Armed Forces chief and added that "the process is very normal and was done just as we expected."

Cantarero also rejected the idea that his promotion could have been moved ahead because General Humberto Regalado might resign. In this regard, he stressed that "the law clearly establishes Regalado was elected for a 3-year period, which expires on 27 January. Therefore, I have to wait until that date."

He also said that during his term an Army general commander will be appointed, as this position has been vacant since Colonel Guillermo Thuman's removal.

The future Armed Forces commander in chief said "there may be political instability" in the country, "but I believe in the stability of the Armed Forces because we

have a monolithic unity, as we have always stated. We have already legally established what the Armed Forces' future will be."

When asked if he is prepared to maintain close ties between the Honduran Armed Forces and the U.S. Armed Forces, he categorically stated: "Yes. I was trained and educated in the United States and have a special interest in that country. I think it is a great country, and we continue strengthening our close ties."

After noting that "I am truly honored and pleased by this appointment," he said: "I believe this is the fruit of much effort during my professional career."

Regarding the contras' departure, he said: "We received orders from the president, that is, from the government. The corresponding points have been settled in Tela, so we are waiting for the period established by the area presidents to expire. We are simply enforcers of the laws they make."

He declined to comment on the seizure of weapons smuggled from Nicaragua to the Salvadoran guerrillas, referring reporters instead to the Armed Forces Public Relations Directorate.

When asked his opinion of the Sandinist regime, he replied: "I would rather not comment on the matter since I am not prepared to do so."

Nicaragua

Communique on Ortega Meeting With Military

PA2510024589 Managua BARRICADA in Spanish 23 Oct 89 p 5

[Communique No 30 issued by the Directorate of Information and Press of the Presidency of the Republic in Managua on 22 October]

[Text] Communique No 30:

The Directorate of Information and Press of the Presidency of the Republic reports the following:

The President of the Republic, Commander of the Revolution Daniel Ortega Saavedra, today held an emergency meeting with Defense Minister Army General Humberto Ortega Saavedra and the High Military Commands of the Sandinist People's Army and the Interior Ministry.

During the meeting a discussion was held on the measures to be adopted within the framework of the country's military defense against the increasing criminal attacks by the armed counterrevolution, which have continued with the aid of financing from the U.S. Government and the complicity of political sectors which are acting in our country as tools of imperialist policy.

Such criminal actions—like the attack that was carried out on 21 October 15 km from Rio Blanco in Matagalpa Department, with a toll of 9 dead and 3 wounded, against reservists who were going to their communities to comply with the civic duty of registering for the 1990 elections—will be punished with the full energy and rigor stipulated by the laws of the Republic for this type of crime.
Managua, Nicaragua, 22 October 1989
Year of the 10th anniversary
Directorate of Information and Press of the Presidency of the Republic

Ortega To Support Suit Against Airlines

PA2510025089 Paris AFP in Spanish 0139 GMT 25 Oct 89

[Text] Managua, 24 Oct (AFP)—Nicaraguan President Daniel Ortega Saavedra said today that he has asked the Honduran Government to open an investigation into the airplane accident on 21 October south of Tegucigalpa in which 131 people, 60 of them Nicaraguans, were killed.

Relatives of the victims announced that, with the support of the Nicaraguan Government, they will file suit against the Honduran SAHSA Company, whose Boeing 727-200 airplane crashed at Ula Hill, 30 km south of Tegucigalpa, just minutes before landing.

Ortega insinuated that there were problems "beyond the technical ones," involved in the tragedy, and said that his government will place at the disposal of the victims' relatives "every legal assistance" for the suit, which will be filed soon.

Ortega made these statements at the Augusto C. Sandino International Airport in Managua, where hundreds of mourners gathered this morning to receive 23 of the bodies, which arrived from Tegucigalpa on a Sandinist Air Force airplane.

Ortega asked the relatives to bury their dead quickly, because the bodies could not be properly treated in Tegucigalpa, and, therefore, "it is necessary to prevent an outbreak of epidemics because of the decomposition of the bodies."

The president said that a single mortuary handled the Nicaraguan corpses in Tegucigalpa. He added: "It seems that many people there wanted to profit from the accident." He said he talked with Honduran President Jose Azcona, who explained that his country was not prepared to deal with a situation like the one that occurred on 21 October.

Official on Contributions Received for Elections

PA2510043489 Managua Radio Sandino in Spanish 1200 GMT 18 Oct 89

[Text] Mariano Fiallos Oyanguren, president of the Supreme Electoral Council [CSE], disclosed yesterday that the foreign assistance the CSE has received thus far totals $4 million and that most of it is in the form of

equipment. The donations have been received from the West German, Swedish, French, Spanish, Swiss, and Canadian Governments, he said.

Fiallos said that, according to estimates, the electoral process will require $9.5 million from the Nicaraguan Government.

[Begin Fiallos recording] We have two fundamental sources of financing. One of them is the state budget, that is, the Republic's overall expense budget. This budget has financed the electoral organization and will continue to finance it until the election ends. The other big source from which we have received funds are friendly governments—in this case the Swedish, West German, Spanish, Swiss, Canadian, and French Governments—and other organizations. We have received financial assistance equivalent to approximately $4 million. I say approximately because part of this financial support has been in the form of equipment. Therefore, we have to estimate its value and are now in the process of doing this. Some of this equipment is already in operation.

There is also a possibility that other governments to which we have presented proposals will decide to contribute, in which case the amount will increase.[end recording]

Yatama's Rivera on Elections, Party Alliance

PA2510125089 Hamburg DPA in Spanish 0001 GMT 21 Oct 89

[Text] Managua, 20 Oct (DPA)—"Yatama" [Miskito, Suma, and Rama Indian and Creole Groups] leader Brooklyn Rivera announced today in Managua that his organization will take part in the Nicaraguan elections and compete for positions on the Atlantic Coast. "Yatama" is the organization made up of Miskito and Sumo Indians in Nicaragua who have abandoned the armed struggle against the Sandinist regime.

According to Rivera, some 25,000 Miskito and Suma Indians are still in Costa Rica and Honduras, 30,000 have moved to the Pacific Coast—especially Managua—and 4,000 are in villages in northern Nicaragua.

Rivera said that they do not like the Sandinist front, adding that they want to form an alliance with a political party that recognizes Atlantic Coast residents' claims in exchange for supporting the party's presidential candidate. Rivera pointed out that they had an alliance with the Social Christian Party, which included Yatama candidates among their candidates for the National Assembly, but do not agree with the party's presidential platform.

Rivera added that no agreement has been reached with the National Opposition Union (UNO) because they do not agree with UNO's government program regarding ethnic matters.

Panama

Pereira Criticizes U.S. Arrest Measures

PA2410191789 Panama City Televisora Nacional in Spanish 2300 GMT 23 Oct 89

[Text] Government and Justice Minister Renato Pereira has condemned the new U.S. Government measure by which the FBI may arrest, outside Panama, any Panamanian Government official facing charges by U.S. authorities.

Pereira also ruled out the possibility of approving more media laws or reforming existing laws during his term as minister.

[Begin recording] [Pereira] This is a measure that will be condemned by all governments and states because international law and tradition uphold the principle of territoriality, which means a country's laws must prevail within its territory. No foreign country should enforce its laws in another country without that country's consent. Therefore, this measure is a mistake that will create problems for the U.S. Government.

[Reporter] Does your ministry intend to approve new media laws?
[Pereira] The laws that are currently in effect are the same ones that have been in effect for several years.

[Reporter] Are the current laws going to be reformed?
[Pereira] The laws will remain as they are. They are the same media laws that have been in effect for several years.

[Reporter] Will a new package of emergency laws be introduced this week?
[Pereira] I am not aware of the drafting of new emergency, urgency, or war laws, however you may want to call them. I want to tell you that the national government and the Panamanian people are on the alert in view of the U.S. determination to implement its policy, which is against this country's dignity. [end recording]

Foreign Minister Kam on Group of Eight, UN

PA2410223089 Panama City Telemetro Television in Spanish 2300 GMT 23 Oct 89

[Text] Panamanian Foreign Minister Leonardo Kam Binns has said that the Panamanian problem is not based on an abstract concept, and this should be understood by the Group of Eight countries. The foreign minister also commented on Panama's image at the United Nations. Here is what he had to say:

[Begin Kam recording] I want to reaffirm what we have repeatedly stated: The Latin American countries have to understand clearly that Panama is not holding a struggle only for Panama. Panama is holding a struggle for all Latin America. I believe Latin American countries will be increasingly less secure, less independent, and, of course, much more vulnerable to imperialist pressures if Panama falls.

[Reporter] One last question, Mr Foreign Minister. You have just been transferred from the United Nations to Panama and assigned to the position of foreign minister. We would like to know how Panama's international image rates at the United Nations?

[Kam] I am pleased to report that Panama is respected and admired at the United Nations, since ours is a country that has waged a truly uphill struggle in a patriotic, unyielding, and resolute manner. I can say that the UN admires the Panamanian Government, and I believe the presence of President Francisco Rodriguez at the United Nations confirms my observations. [end recording]

'To Update' Foreign Service

PA2410185489 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Oct 89 pp A-1, C-6

[By Staff Writer Cesar E. Gomez Marin]

[Text] Foreign Minister Leonardo Kam has told LA ESTRELLA DE PANAMA that foreign policy is a priority task at this moment, as President Francisco Rodriguez said when he assumed the Presidency. The foreign minister added that, in this sense, the restructuring of the Foreign Ministry must keep pace with Panama's current conditions and needs.

The new foreign minister said that this institution has been operating with a structure and organic by-laws that are over 30 years old. "This is an obsolete and inadequate instrument that dates back over 30 years," Kam noted, adding that "our country has changed very much in 30 years, and foreign relations and international diplomacy have also changed very much."

What we must do now is make the Foreign Ministry more dynamic and provide it with analytical, conceptual, and operational tools that are related to and responsive to our country's needs," said the young foreign minister, who has been connected with diplomatic work for over 20 years. In this sense, he stressed that we must broadly and roundly react to the need to project our international image and, above all, to counteract the massive international campaign the United States has launched against Panama. He said we must influence other countries to break our isolation and the discredit the U.S. Government has tried to heap on our country on a worldwide scale as part of its economic, policial, and psychological aggression.

This is a key task we must assume with patience. We must assume it with patriotism, which is what is really required at this moment to forge ahead, the foreign minister said.

We must make our foreign policy an aggressive tool in the positive sense to defend and enhance our image and dignity as a nation. To do so we must make use of the resources the Foreign Ministry currently has available. When it comes to human resources, the ministry has the well-disposed, experienced, and talented personnel it requires, but we must also take recourse to Panama's best talents and patriots because our homeland needs them at this supreme hour in which its destiny is being sealed. That is why our foreign policy takes priority at this moment.

Leonardo Kam reported that following the annulment of Decree Law No 10, which regulated Foreign Ministry operations, the Foreign Ministry will begin a broad consultation process. Kam explained that the consultations will include various sectors—such as the Career Diplomats Association, Foreign Ministry officials, the School of International Relations at the University of Panama, and even organized people's groups honestly concerned about national problems—to come up with a mechanism, law, or statutes that truly reflect national feelings. He added that the Career Diplomats Association had already proposed some initiatives for the prompt restructuring of the institution and the Panamanian Foreign Service.

Asked about his opinion on the situation of Panama within the framework of diplomatic relations with Latin American countries—in view of the U.S. Government campaign and pressure—the minister expressed his concern about the level U.S. diplomatic aggression has reached. Kam said that it is necessary to react quickly and with determination in view of this aggression.

Kam said that the United States has exerted very harsh pressure, resorted to blackmail and many other means to coerce the will and conscience of Latin American nations and other countries, so that countries will join the campaign of aggression that seeks to isolate Panama. However, Kam said, the situation is different in other Latin American nations, where people have the feeling of nationalism, the principle of self-determination, and the principle of nonintervention deeply-rooted. The Latin American people support Panama and have expressed this support in various forms. Therefore, I believe that a difference exists between positions adopted by some Latin American governments and the feelings of the people.

Finally, Foreign Minister Kam said he has found high morale at the ministry and patriotic determination to continue working. Obviously, he said, we must all work as a team to face the U.S. pressure and try to rebuild our relations with some countries, and to return to the levels of normalcy and friendship Panama has traditionally enjoyed.

Confusion Continues Over Military Situation

PA2410174589 Panama City ACAN in Spanish 1632 GMT 24 Oct 89

[By Andreu Claret]

[Text] Panama City, 24 Oct (ACAN-EFE)—Now, 3 weeks after the frustrated coup against Panamanian "strongman" General Manuel Antonio Noriega, the fate of most of the arrested officers and the names of those who will replace the alleged coupists in the military leadership are still unknown.

To date, the only unofficial news is the release of Julio Ow Young, one of the two arrested colonels, and the appointment of some officers, who have Noriega's complete trust, as heads of military intelligence organizations and units whose chiefs were involved in the coup attempt.

Military sources consulted with by ACAN-EFE refused to discuss the situation of the arrested military men "while the investigation continues." The investigation officially revolves around 37 who are under arrest, but according to other sources, this number is larger.

The military sources also did not wish to comment on persistent rumors about the release of Lieutenant Colonel Armando Palacios Gondola and his return to active service after being under investigation for more than 15 days.

According to some sources, Ow Young's release, which was decided at a meeting of the general staff a few days ago, forms part of Noriega's attempt to lessen the scope of the rebellion and to avoid the generalization of discontent among the soldiers.

Military sources disclosed that after meeting with the general staff, Noriega on Thursday convened the most outstanding middle level officers to discuss the "psychological profile" of the coupist.

The very brief information on this meeting stressed that the general insisted on differentiating between the officers involved in the coup attempt and others he described as "confused or deceived."

"The situation is very confusing and everything indicates that Noriega is having difficulties," said a foreign military attache who asked to remain unidentified. He compared the general's current indecision with the decisiveness he showed after the previous coup attempt in March 1988.

The attache stressed that on that occasion, Noriega retired a colonel, three majors, and one captain "in less than 24 hours" because they were supposedly involved in the rebellion, and that on this occasion, 3 weeks after the new coup, there has been no official announcement about who will be discharged and who will replace the coupists.

The confusion reaches such levels that the first appointments released a week ago during a military program on state television were not confirmed the next day by the regime's press.

A military analyst expressed surprise that a major, Rafael Cedeno, a very close friend of Noriega, has been appointed to head the military intelligence services (G-2) to replace Colonel Guillermo Wong—who is under arrest—"because this post has always been reserved for a colonel." Following the first coup attempt, Wong's predecessor Bernardo Barrera, who was involved in that coup attempt, was replaced after less than a week by the colonel currently under arrest.

Everything seems to indicate that, in effect, Noriega is facing difficulties reorganizing the High Command with men who have his total confidence and, at the same time, respecting the rules governing promotions.

Those who support this thesis point out that only 4 of the 20 officers who were members of the High Command when the crisis in Panama began in 1987 remain in the High Command. Some observers are surprised that Noriega has not yet promoted the officers—Lt Col Nivaldo Madrinan, Lt Col Luis Antonio Cordoba, Lt Col Carlos Arosemena King, and Lt Col Arnulfo Castrellon—who resolutely supported him while facing the rebels.

Observers also consider as significant the escape to the United States of Military Attache to Seoul Maj Leonidas Pretelt, an officer who for many years enjoyed Noriega's highest confidence.

Within this context of uncertainty and lack of official information, there are unofficial reports that put in doubt the figures released in the "War Bulletin" issued by the High Command, published shortly after the coup attempt. According to the bulletin, only 10 people were killed, 26 were wounded, 37 were under arrest, and 5 escaped.

Osvaldo Velasquez, president of the Panamanian Human Rights Committee (CPDH), said he has received "unconfirmed reports" saying the death toll "exceeds 100."

The only confirmed case of an officer who died after he was arrested is the case of Captain Nicasio Lorenzo, who died from hanging in his cell, according to unofficial reports.

Over the past few days, relatives of some of the arrested soldiers and captains, have been able to see their relatives for the first time.

Diplomatic sources told ACAN-EFE that the number of the fugitives "exceeds 10." The source added that some noncommissioned officers and soldiers among the troops involved in the coup sought refuge at the U.S. bases near Panama City in the days following the 3 October coup attempt.

Government To Save $20 Million With New Laws

PA2510043789 Panama City Telemetro Television in Spanish 2300 GMT 18 Oct 89

[Text] Planning Minister Gustavo Gonzalez has reported that the Panamanian Government will save approximately $20 million by eliminating the 13th month bonus, salary raises, and other disbursements contemplated in the emergency laws. He also referred to the visit of an IMF delegation to Panama.

[Begin recording] [Gonzalez] The IMF delegation has elicited considerable interest in the public, but this is only a normal, regular visit. According to Article 4 of the IMF's regulations, all debtor countries must undergo an annual revision of their finances and economic policies. The delegation that arrived yesterday met with the

principal members of the National Finance Commission to report the procedures the delegation will use to perform their work. All public officials who do not work, are disobedient or undisciplined, or refuse to cooperate as the state and the community expect them to will be fired. We are not dismissing employees indiscriminately. We are firing officials who are not cooperating with the community, which has been paying for their work. I have said before that Panama is not presently in a position to squeeze public finances to pay for its international obligations. We have expressed this government stance at other times. We must seek an understanding with international finance organizations, and the IMF delegation's visit to Panama is part of this understanding.

[Reporter] By how much is the budget being cut, considering that the 13th month bonus and salary raises are not to be paid?

[Gonzalez] The elimination of these disbursements will result in a saving of approximately $20 million. [end recording]

PRD President Calls for Support for Rodriguez

PA2410141089 Panama City LA ESTRELLA DE PANAMA in Spanish 22 Oct 89 p 1

[Text] Carlos Duque, president of the Democratic Revolutionary Party [PRD], has asked his party militants to wholeheartedly back the government of President Francisco Rodriguez. He said it is necessary that all PRD militants watch for strict compliance with the new laws already in effect throughout the country.

In an exclusive interview with LA ESTRELLA DE PANAMA following a national organizational conference, Duque stated his opinion on public officials and on how they are now behaving. He asked them to be loyal to the public administration "because traitors cannot be at our side one more second."

Duque said that right now it is the popular groups and the labor unions who can be more relaxed, "especially the labor unions, because the new laws will strengthen them."

Duque expressed disgust with regard to the private enterprise sector. He said that the essence of the new laws has been distorted. He noted that when the 16 bills were announced, there were ill-faith rumors that portrayed the government as on the road to radical actions against the Panamanian private enterprise sector.

Duque said: "Our war laws are tools, tools to survive for the benefit of our people, who are being hit by a warmongering aggressor." The PRD leader stated his respect for the private enterprise sector that in Panama is committed to social justice and that wants to grow, but that also wants a better kind of wealth and benefits out of the economic model in effect in the country right now.

At the international level, Carlos Duque said that if Spanish Prime Minister Felipe Gonzalez were to act in bad-faith, that would be a big surprise, because the Spanish leader knows all the details of our struggle against U.S. imperialism to demand justice.

Concerning the summit meeting in Costa Rica, Duque said: "In Costa Rica the real host is President Bush. The ceremonial event from which Cuba, Chile, Haiti, and our country will be excluded is nothing but a U.S. demand made at the conclusion of the visit to Costa Rica by a World Bank mission that demanded continued Costa Rican support for the chorus that calls for persecution and isolation against Panama."

Human Rights Official Comments on Executions

PA2410161689 San Jose Radio Impacto in Spanish 0300 GMT 24 Oct 89

[Text] Dr Osvaldo Velasquez, president of the Panamanian Human Rights Committee, has expressed his concern about the increase in human rights violations in Panama following the frustrated 3 October coup against General Manuel Antonio Noriega. Velasquez stated this when he opened an exhibit on the Panamanian situation in the Cultural Plaza Gallery in San Jose, Costa Rica.

Velasquez referred to the differences between the official and unofficial reports on the number of dead, wounded, and arrested on 3 October. He said that according to official reports, there were 11 dead, but according to unofficial reports there were nearly 233 dead. The official reports indicate that the deaths occurred in the exchange of gunfire, but according to unofficial reports the victims were executed. Referring to the solution of the Panamanian conflict, he said he hopes there will be international solidarity, especially from Latin America. He added that he hopes that the solidarity will be effective as that expressed by the EEC.

[Begin Velasquez recording] According to the information we have received from unofficial and unconfirmed reports, which come from quite reliable sources, the number of dead and missing is more than 233. Concerning the cause of these deaths, the official version states that they were killed in the exchange of gunfire that occurred on 3 October. According to our information and statements, most of the deaths were from execution. The deaths occurred on 3 October and in the days following. With regard to the number of arrests, the official reports indicate there were 36, but according to our investigations, there are approximately 600 under arrest. According to one source, there were 233 dead, based on the following: 77 bodies were taken to the Santo Tomas Hospital morgue, 40 were taken to the Cimarron military base, and 116 to [word indistinct] morgues. According to what we have been told by individuals who in some way or another can testify to this, some of the bodies, quote, were moving, unquote, in the bags and despite this they were (?taken to the morgues).

According to the official version, there were no dead among the group that defended Gen Noriega. [Words indistinct] dead or missing in the coupist group [words indistinct]. Some of those killed in the coup had been

seen alive near nightfall, while others had called or had sent messages to their relatives to report they were fine. [Words indistinct] on the dead mention clear signs that they had been tortured and then executed. (?Some) were shot in the head, others had no nails or teeth, some were castrated, and others showed multiple stab wounds, bruises throughout the body, and multiple fractures.

Some officers are being held in DENI [National Department of Investigation cells in San Felipe. The DENI is the secret police. Most of those arrested are being held in the Cimarron military base, headquarters of Battalion 2000, which is now operating as a concentration camp. They continue to be held incommunicado. There have been reports of executions, burials [words indistinct] at that location.

Those implicated in the 16 March [1988] military coup, who had been held in the Renacer Prison, have been transferred to other jails. Approximately 400 prisoners of Coiba Penal Island have been transferred to Panama City's Modelo Jail. Therefore, it is believed that the coupist military will be sent to the Renacer Prison and the rest of the rebel troops to Coiba Penal Island. Reports have been received about common graves on the Cimarron base.

Lieutenant [as heard] Nicasio Lorenzo was the second in rank in military intelligence, G-2. He was arrested on 3 October and held in the DENI offices in San Felipe. On 6 October, his body was turned over to his wife. According to the official report, he had hung himself using his pants and a towel. His relatives have testified that the body showed signs of torture and was flacid that is characteristic of a person who has recently died, yet he had supposedly died the day before.

The number of dead and missing and [words indistinct] is a situation that is of concern in Panama. We are unable [words indistinct] to do something about this because of [words indistinct]. Nevertheless, after the relatives of some of the missing reported their cases to the Panamanian Human Rights Committee, our lawyers began to take action and the committee has sent letters to Gen Noriega and to the attorney general, requesting the list of arrested individuals. To date, they have not answered our letters.

I want to draw attention to the official publication of what the government calls a war report, on 3 October. It mentions two things that are unbelievable and absurd: [words indistinct] all the dead were from the coupist forces; no deaths were sustained by the loyal forces. Second, it says that the loyal forces sustained 18 wounded, while the coupist forces sustained only 3 wounded. It gives the names of the wounded and dead. It is completely absurd that in a violent armed clash, there were 10 dead and only 3 wounded on one side and no dead, but 18 wounded on the other side. They themselves censored this information later because they never again referred to this report, which was published in an official newspaper—all the newspapers in Panama are official because there is total censorship of all the news media. That was the official version that was issued. The government has not issued any subsequent reports. [end recording]

UK Firm To Be Sued for 'Yielding to U.S.'

PA2410234389 Panama City ACAN in Spanish 1923 GMT 24 Oct 89

[Text] Panama City, 24 Oct (ACAN-EFE)—The Panamanian company Vanderbilt Securities, Inc., announced today that it will sue the British "parastatal" Securities and Investments Board (SIB) and its director Jerremy Orme. Vanderbilt Securities' main shareholder is the German Baron Axel Hebertus Schubert.

The baron accused the British company of acting with "colonial arrogance" and yielding to U.S. pressures against Panama. SIB representatives, he added, have sent letters to investors in Great Britain and other countries, as well as to the Panamanian and U.S. securities' commissions, warning them against Schubert and the Vanderbilt firm.

Schubert explained at a news conference given in Panama City today that this is the first time a private company will present "civil and criminal" charges against "state officials" in charge of regulating and controlling the stock market of another country.

The suit that is to be presented tomorrow will be for a "minimum of $5 million," Schubert said. He added that another one of his firms, U.S. Euramco, has also sued SIB and Orme for the same reasons, and the case is presently before a U.S. court. Euramco is demanding a $58 million indemnification.

"The letters (sent by SIB) included no specific charges, only some vague warnings not to negotiate with Vanderbilt, adding that Panama has no laws to protect investors. I cannot imagine what reasons they may have, except political ones," the businessman said.

Vanderbilt Securities, Inc., was founded in March 1989 in Panama. It has approximately 2,000 shareholders, all private citizens. It has opened a branch in Nassau (Bahamas), and it has plans to open another branch in Spain early next year, Baron Schubert said.

Vanderbilt's president, former Minister Mario Rognoni, told ACAN-EFE that the SIB and Orme will be tried even if they do not appear in court or if they do not grant someone a power of attorney, because UK laws allow "trials in absentia" and the court will appoint a defense lawyer.

When Vanderbilt was established in Panama the country's opposition asked the National Securities Commission to investigate reports that it was "involved in fraudulent activities, thus discrediting Panama in international financial circles."

A bulletin issued by the Christian Democratic Party (PDC), the main opposition party, recalled that another one of Schubert's firms, PANTELL, was investigated by Swiss and UK authorities because "it exerted pressure on thousands of shareholders to invest in a company that was personally controlled by Baron Schubert, and that was not registered on any stock market." The PDC added that "Schubert went to Panama to continue his fraudulent activities" following PANTELL's closure.

However, Baron Schubert terms as "insults and slander" all these reports, and insists that Vanderbilt is a legally created enterprise that "promotes Panama's development."

Authorities Allow Deported Nun To Return

PA2510043089 Panama City ACAN in Spanish 2018 GMT 24 Oct 89

[Text] Peruvian nun Elsa Maria Schaus, who was deported to Costa Rica last week, returned to Panama today following negotiations with the country's authorities, which revoked their order.

"I am happy to be here again," the nun told ACAN-EFE. She has lived in the country for 27 years and is currently director of the "Mary Immaculate" School, an important higher education center.

The Panamanian authorities deported the nun to Costa Rica on 17 October after stating that she had to leave the country within 24 hours "for her own security and for state security reasons."

The nun said she knew "that the reasons for her expulsion had nothing to do with her personally."

Panama's auxiliary bishop, Msgr Oscar Brown, met the nun at the airport and explained that her return was possible following "talks with the authorities." He added that "once everything was clarified, it was decided that there was no real reason for her expulsion."

Other sources explained to ACAN-EFE that Apostolic Nuncio Sebastian Laboa also participated in the negotiations for the Peruvian nun's return by discussing the issue with the military authorities.

Bishop Brown said that "there was no real reason to expel her." He stated his hope that relations between the Catholic Church and the government will not worsen as a result of this incident.

Elsa Maria Schaus was met at the Omar Torrijos Airport in this capital by a large group of nuns, professors, and students from the school which she directs, as well as by members of the Peruvian Embassy.

Noriega's Alleged Partner Detained in Mexico

PA2410134489 Mexico City EXCELSIOR in Spanish 11 Oct 89 p 34-A

[Text] Juan Javier Macklis Mercado, 52, owner of the Tijuana-based Milano Medical Laboratories, and alleged partner of Panama Defense Forces Chief General Manuel Antonio Noriega in the manufacturing and smuggling of anabolic substances, was detained and handed over by the General Prosecutor's Office to a district judge on charges of evading payment of 1.6 billion pesos in taxes and manufacturing, adulterating, and marketing banned medicines.

Macklis, who was born in Mazatlan and has been living in Tijuana, Baja California for a little more than 40 years, was detained on 9 October when he landed aboard a Japan Airlines plane, which flew him from Tokyo to Mexico City. Taken to court, he declared to a magistrate that he is the owner of Milano Laboratories and admitted that he has been manufacturing anabolic substances and selling them clandestinely in the United States.

He also admitted that he had evaded 1.6 billion pesos in taxes. He said he has made a good profit from the manufacture of medicines because he did it without the consent of the patent owners. In addition, he lowered the quality of the products. He has been conducting this activity for the past 2 years.

He then told the detectives questioning him about his relations with Gen Noriega, "Panama's strongman." Macklis said that 2 years ago he met a man named Hector Chavez Trejo, who took him to Managua and introduced him to the Sandinists, who became interested in the pharmaceutical products manufactured in Macklis' laboratories. Macklis sold a considerable quantity of medicine to the Nicaraguan Social Security Institute.

Later on, Chavez Trejo reportedly introduced Macklis to a lady named Ilka Viejo, director of Panama's Social Security Fund. Viejo led Macklis to Gen Noriega, with whom Macklis became close friends because, Macklis said, Noriega wanted to buy the products manufactured in Macklis' laboratories. The two agreed to manufacture anabolic substances and low-quality steroids to be sold in the United States.

Macklis said that, halfway through 1988, Noriega gave him $400,000 of the $800,000 that would represent Noriega's share as a partner in the banned medicines deal. The rest of the money for the partnership, Macklis said, was given to him by Viejo herself. Macklis, a stout white-bearded man who spoke with a northern Mexican accent, told the prosecutor's agents that the partnership manufactured anabolic substances and steroids worth $5 million and that everything produced was shipped to the United States.

According to his passport, number A-639816, Macklis flew to Panama several times. His contact was "Castillo Carlos," whose telephone number and home address Macklis gave to his questioners. Macklis stated that this man put him in touch with Noriega.

Macklis was captured upon his return from Japan, where he had flown from Los Angeles on 7 October and from where he was returned to Mexico—he did not know why—where Interpol officers arrested him.

His case was filed at the office of Jose Luis Garcia Vasco, 8th penal district judge at the Eastern prison. His case is number 102-89.

Policy Minister Says No Mass Layoffs Planned

PA2310145189 Panama City Telemetro Television in Spanish 2300 GMT 16 Oct 89

[Text] Gustavo Gonzalez, Minister of Planning and Economic Policy, has stated that the government is not planning mass layoffs of employees.

[Begin Gonzalez recording] What we have done up to now is to reduce government expenditures. We are not programming for nor planning to reduce the number of government employees.

[Reporter] What is the government's position with regard to the planned IMF mission?
[Gonzalez] That mission is coming because the government has asked it to come. It is going to evaluate government finances, as well as the country's economy. First of all, we will explain to the mission the measures the government is adopting to cope with the serious financial situation of trying to maintain a balance between revenue and expenses. We will try to renew, even on a small scale, investment in the public sector. Concerning the economy, a plan has already been started in many areas. It is a 3-year recovery plan, through which we first seek to put the fiscal sector in order, so that it will not be a burden on the rest of the economy.

We will also try to promote tourism and construction, giving the investor guarantees in general that his investment will not be dealt with arbitrarily in any way. The existing institutions, laws, and government agencies provide all the facilities possible for private investment.

Labor Minister Notes Unemployment Situation

FL2510023589 Havana Television Service in Spanish 0100 GMT 25 Oct 89

[Report from Panama by correspondent Nelson Notario Castro—recorded]

[Text] Some 150,000 Panamanians are without employment. A good part of them have lost their regular jobs because of the U.S. criminal attacks on this small country. The Panamanian population is relatively small. In order to learn how the Panamanian Labor and Social Welfare Ministry defends employment, in spite of the crisis, we talked with George Fisher, minister of labor and social welfare of Panama.

[Begin Fisher recording] We have taken measures to control massive firings with political overtones and even apparent voluntary resignations through the mutual agreements that Panamanian law provides for. Under these circumstances, they mask the economic pressures by businessmen on the working class. The ministry has taken measures to control this and has been able to control it. It is believed that the economic impact in the employment sector because of the U.S. attack has doubled unemployment in the country. [end recording]

More on Health Workers' Dismissals; School Closed

PA2510034589 Panama City Telemetro Television in Spanish 2300 GMT 24 Oct 89

[Passages within quotation marks are recorded]

[Text] Health Ministry officials today reported on the situation in the country's hospitals. The officials emphasized that the hospitals' deterioration is noticeable but that employees are working as hard as possible to serve the people. Dr Isaac Carrasco, director of the Ministry of Health's Division of Medical Institutions, said that $600,000 have been appropriated for the country's hospitals, but that the amount is not sufficient since this represents only half of what was received in the past. He pointed out that investments in excess of $30 million have been suspended due to the crisis. Dr Jose Renan Esquivel, minister of health, has said that medical services for the people have not discontinued despite all this.

Meanwhile, the country's doctors continue to reject the latest dismissals and the health authorities are currently analyzing the situation. Dr Arrigo Guardia, coordinator of the National Medical Negotiating Commission, yesterday said that doctors have been fired by the Social Security Board.

[Dr Arrigo Guardia] "Two doctors, one social worker, three nurses, and one employee of the statistics department have been fired. The latest rumor is that there is a long list of employees who will be fired. We have just met with the minister of health, in his role as minister and president of the Social Security Board's directorate, to issue our strongest protest. We have asked him to solve the problem in a few hours because the health employees will not accept the situation."

The health authorities have yet to respond to the demands of the National Medical Negotiating Commission. Health Minister Dr Jose Renan Esquivel was questioned on this subject today.

[Dr Esquivel] "These demands were made yesterday. Both the Ministry of Health and the Social Security Board are reviewing them.

[Reporter] "Any comment, Mr Minister?

[Dr Esquivel] "We will wait for [words indistinct]. We have already sent a report and we are waiting for a (? decision)."

Meanwhile, the director of the National Institute has decided to close the school until such time as an appropriate atmosphere is restored to guarantee a normal teaching and learning process, a communique issued this evening by the Ministry of Education's Public Relations Directorate stated.

The document states that the director decided to close the institute as a precautionary measure, warning that it will not be reopened until all the departments of that institution pledge to guarantee the minimum conditions for carrying out its normal activities.

The communique says that the situation at the institute became untenable today when leaders of a group that was suspended for vandalism—a decision based on the institute's internal regulations—called for a strike that was supported by the students. This could lead to a dangerous situation and anarchy, which would threaten the students' security.

The institute's director, Professor Ernesto de Leon, today reported that the student leaders and their spokesmen called an indefinite strike, so he decided to close the National Institute. The director added that this group of leaders has encouraged disorder ever since the National Institute was reopened, since they do not accept their suspensions—which were decreed after an investigation of the events that resulted in riots and the use of explosive devices, and that caused damage estimated in the thousands of balboas to the National Institute.

State Cement Enterprise Working at 50 Percent

PA2410044989 Panama City Televisora Nacional in Spanish 2300 GMT 23 Oct 89

[Text] Bayano Cement Plant Director Alberto Luis Tunon has said that, despite the country's crisis, the production level of the state-owned enterprise remains at 50 percent. Moreover, the enterprise is following the guidelines issued by Provisional President Francisco Rodriguez.

[Begin recording] [Tunon] The Bayano Cement Plant is following the guidelines of the new republic issued by the president. At a general meeting with our workers, we told them we were going to work with honesty, vitality, and patriotism. Most of all, we will try to maintain our production level. As you know, the housing sector has been one of the hardest hit by this crisis. However, we could say our production level remains at 50 percent. We are self sufficient and deposit our daily revenues at the National Bank to cover our most pressing needs, and to help meet in part the payroll of other government institutions.

[Reporter] How has the current situation affected the plant's payroll?
[Tunon] We have not dismissed any of our workers. However, in the wake of the promulgation of the war laws and after conducting an exhaustive investigation that lasted 1 week, we fired three workers on 20 October. We found they were working against the process of national liberation. They celebrated the 3 October incidents. After consulting our workers, we had no other alternative but to dismiss them. [end recording]

New Presidential Press Secretary Appointed

PA2410190989 Panama City CRITICA in Spanish 24 Oct 89 pp 2, 19

[Text] Journalist Luis Danilo Caballero took office on 23 October as presidential press secretary in the presence of Minister of the Presidency Augusto Valderrama.

Caballero was appointed to that important position by Provisional President Francisco Rodriguez to replace Jose Hernandez, who was appointed Foreign Ministry press director.

At the time of his appointment, Danilo Caballero was general director of the National Information System (SNI), a post he held with his well-known professionalism and dedication.

Journalist Victor A. Mirones was also sworn in by Valderrama as SNI general director.

Mirones was appointed to that office by Provisional President Francisco Rodriguez and replaces Luis Danilo Caballero.

State's Radio Nacional Director Appointed

PA2310162689 Panama City CRITICA in Spanish 19 Oct 89 pp 2, 22

[Text] Panamanian journalist Ruben Dario Murgas has been appointed director of the state-owned Radio Nacional network [Domestic Service] through Executive Decree No 70.

Murgas is well known in journalism circles. He has been the director of CRITICA newspaper and, for many years, director of the "News Parameter" radio program.

Decree No 70 bears the signatures of President Francisco Rodriguez and Government and Justice Minister Renato Pereira.

Government To Evict Canal Area Rent Delinquents

PA2110210289 Panama City LA ESTRELLA DE PANAMA in Spanish 21 Oct 89 pp A-1, A-8

[Text] Ricardo de Sedas, director of the Housing Ministry's office in the Canal Zone area, said today that his ministry will take action to reduce the high delinquency rate in rental payments on houses in the reverted areas, completely disregarding any political influence or cronyism.

In this regard, De Sedas said stern steps are being taken to evict tenants who owe at least 3 months' rent and that, as a result, 40 percent of those tenants have already approached the ministry to comply with their obligations.

De Sedas emphasized that these measures are part of the collection policy of Minister Arturo Diez's new administration. He noted that in the same degree that the results of the collection policy are successful, the ministry feels committed to maintaining these properties for the benefit of their occupants.

"We are making an earnest appeal to the lessees to responsibly meet their obligations to the institution," the official said.

Argentina

18,000 Protest Menem's Military Pardons

PY2110160489 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0200 GMT 20 Oct 89

[Text] Buenos Aires, 20 Oct (NA)—About 18,000 people gathered today in the Plaza de Mayo, across from government house, to protest the pardon that President Carlos Menem granted to military officers and former members of guerrilla groups.

The march was sponsored by the Permanent Assembly for Human Rights (APDH); the founders of the Plaza de Mayo Mothers, the Center for Legal and Social Studies (CELS), the Peace and Justice Service (SERPAJ), the Ecumenical Movement for Human Rights, the Plaza de Mayo Grandmothers, and the Committee of Relatives of Missing and Arrested People for Political Reasons.

A delegation comprising representatives from the sponsoring organizations and political forces that supported the march entered government house in the early evening. The envelopes containing the signatures of a million citizens who protest the pardons were submitted to Interior Minister Eduardo Bauza because President Menem is in Las Lenas, Mendoza, attending a business meeting.

Nobel Peace Prize Laureate Adolfo Perez Esquivel termed it "odd" that President Menem should "hold meetings with Montoneros, but he refuses to meet with representatives of human rights organizations."

The delegation that met with Interior Minister Bauza was comprised of Nestor Vicente, Luis Zamora, Lisando Viale, Simon Lazara, Alberto Aramouni, Eduardo Sigal, Osvaldo Alvarez Guerrero, Carlos Raimundi, Isabel de Mariani, Mariano Lorences, Ernesto Haimovich, and Adolfo Perez Esquivel, among others.

Bauza informed the delegation that the president "has sufficient authority and principles to grant this pardon because he was imprisoned by the military regime." The Plaza de Mayo Mothers replied that "Menem has no moral authority to do this because he was never tortured nor were any of his children ever listed as missing."

The largest columns of supporters were from the Movement Toward Socialism (MAS) and the Communist Party, which set off firecrackers when they entered the Plaza de Mayo area.

Also present at the demonstration were the Workers Party, the Democratic and Popular Left (IDEPO), the Humanist and Liberal Party, the Free Fatherland Party, and a small Peronist grass roots sector.

The demonstrators chanted antimilitary slogans. They chanted slogans demanding that the missing "be found alive," and "punishment for the guilty" of the "crimes of the dictatorship."

The march was carried out in an orderly fashion and the demonstrators dispersed a few minutes before midnight. There were no reports of violence.

Pardons, Chances of Future Uprising Viewed

PY2110174889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2122 GMT 19 Oct 89

[Quotation marks as received]

[Text] Mendoza, 19 Oct (NA)—Vice Admiral Emilio Osses, the chief of the Joint Staff, today said that he is "convinced there will be no more rebellions, mutinies, or subversive incidents similar to the attack on La Tablada. Admiral Osses said that "in the years to come, the people" will vindicate the Armed Forces.

Osses added that "Argentine society must demand that the Armed Forces act professionally and respect the Constitution." He also stated that the military "will comply with the salary plans to be developed by the president."

At noon today at the 8th Mountain Infantry Brigade, Admiral Osses held a news conference with General Isidro Caceres, the army staff chief, and General Jorge Apa, the commander of the IV Corps, seated in the Pampa. This news conference was held as part of the so-called "cabinet exercises" that started on 17 October and will end on 20 October. Osses said that the objective of "these maneuvers" is to "avoid a drop in the training level of our people." He added that these maneuvers are carried out "at very low economic cost."

Osses said he believes "society must interpret the pardons as a positive event." He added that "we must leave the past behind and look to the future."

Osses added: "We could argue whether the pardon is correct or not, but it was a national necessity" even though the Armed Forces "may be upset that Armed Forces members received the same pardon that benefited the Montoneros."

Osses said: "This is an issue that must be discussed by the entire Argentine society, which must study the differences in the two situations." Osses also said he is convinced that "society will accept certain actions that may have been misunderstood." Osses admitted that "it is necessary" for the pardon to also benefit the former Armed Forces commanders who have been sentenced for human rights violations. But he said that although "we wish" that this pardon would be issued as soon as possible, "it is up to the president to decide."

Answering a question on whether he believes there will be no more uprisings like Villa Martelli or incidents similar to the attack on La Tablada, Osses said: "I am certain, I am convinced, that we will never again experience incidents of this nature."

Ex-Montoneros Chiefs Meet With, Support Menem

PY2110025889 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1726 GMT 19 Oct 89

[Text] Buenos Aires, 19 Oct (NA)—After meeting with President Menem, former Montoneros chiefs Fernando Vaca Narvaja and Roberto Cirilo Perdia have stated that they will become "leaders" of the national reconciliation movement and entirely support the Justicialist government economic program.

The members of the revolutionary faction of the Peronist movement have asked President Menem to pardon Montoneros leader Mario Firmenich, who is currently being held at the Caseros Prison. Vaca Narvaja and Perdia also announced that they will ask for a meeting with Army Chief of Staff General Isidro Caceres, PJ [Justicialist Party] leader Antonio Cafiero, and top leaders of the Catholic Church with the goal of "achieving national reconciliation."

Vaca Narvaja and Perdia went to government house today at noon to thank President Menem for their pardon and to express "our commitment to do whatever possible to strengthen the process of reconciliation and national unity." This remark was made by Vaca Narvaja to some 50 journalists gathered in the presidential press room. He told the journalists that President Menem received them and told them that they will enjoy all the rights granted to Argentines. He also asked them to join the productive revolution. Interior Minister Eduardo Bauza was also present at the 40-minute meeting.

During the news conference, the recently pardoned Montoneros leaders pointed out that they asked the president to pardon Mario Firmenich. They implicity admitted that the military men who led the process of national reconstruction could be released.

Vaca Narvaja said in response to a question that the Montoneros "have made a commitment at the Lujan Basilica national sanctuary," and that "it is not possible—nor it is correct or just—to carry out armed or clandestine actions when democratic institutions are fully effective."

Asked about the money collected in the kidnapping of impresario Jorge Born, Roberto Perdia said that "this matter was not discussed" with President Menem. "We maintain our decision that the funds will become available so that they can be used to solve the problems troubling our people," Perdia added.

Perdia also noted that "most of the people have shown obvious signs of understanding the presidential message and of working for the final pacification."

Asked if the money obtained from the kidnapping of Born would be returned, Perdia responded that "it will be returned to people who can best use it; we believe that no one can refuse or block this money from being returned to its legitimate owners, the people, who built the country's wealth with their labor."

Regarding the subject of missing persons and in response to a question on whether this "was a closed case," Perdia emphasized that "it is necessary to think in the future about the rights of those who are alive and to build the country without forgetting the past." Perdia also sadi that "past events must be registered in the people's conscience, in the people's memory, so that future generations will learn our good and evil experiences."

When a cameramen from a foreign television station asked him when the Montoneros would return their weapons, Perdia said that "we have not used weapons since 1983" because "we have been saying that there is no room for weapons whenever there are democratic ways."

But the cameramen loudly insisted: Where are the weapons? Perdia responded: "There are no weapons. They were used in combat when there was a military dictatorship. There is no reason for them in a democracy."

Vaca Narvaja pointed out that the guarantee of not taking up arms "lies in the people's conscience, because Argentina has said 'never again' to military coups and guerrilla warfare."

"The second guarantee is that the political steps that we take before the people must be credible enough; therefore, some time must pass for our actions to be confirmed," Vaca Narvaja added.

Concluding, the two Montoneros leaders performed a self-criticism of the Montoneros organization, stating that it went undergroud "in an untimely fashion, because there were still sovereign ways left for the people to express themselves."

Menem, Paraguay's Rodriguez Dedicate Park

PY2210223089 Buenos Aires TELAM in Spanish 2207 GMT 22 Oct 89

[Text] Salta, 22 Oct (TELAM)—This afternoon Argentine President Carlos Menem and Paraguayan President Andres Rodriguez dedicated Mariscal Lopez Park, located on Republica del Paraguay Avenue.

Foreign Minister Domingo Cavallo, Paraguayan Consul in Salta Aurelio Torres Pesoa, Salta City Mayor Alberto Alderete, and Paraguayan Interior Minister General Orlando Machuca Vargas participated in the ceremony, in which a bust of Mariscal Francisco Solano Lopez was also dedicated and blessed by Msgr Moises Julio Blanchoud, archbishop of Salta.

Peruvian Defense Minister Arrives for Visit

PY2310153289 Buenos Aires TELAM in Spanish 1347 GMT 23 Oct 89

[Text] Buenos Aires, 23 Oct (TELAM)—Peruvian Defense Minister, General Julio Velasquez Giacarini, arrived in Argentina today. He said upon his arrival that the objective of his visit is to "implement an exchange of

ideas and proposals related to the military industries of the two countries and to enhance mutual cooperation in defense affairs."

The Peruvian minister made these remarks shortly after his arrival at the Aeroparque Metropolitan Airport, where he was welcomed by his Argentine counterpart Italo Luder. Velazquez and Luder will hold a working meeting at 1445 local time today.

According to the Defense Ministry press office, once the meeting is over, Velazquez will go to Government House to meet with President Carlos Menem. Velazquez will stay in Argentina until 27 October.

Meets With Menem, Luder

PY2410025089 Buenos Aires TELAM in Spanish 2049 GMT 23 Oct 89

[Text] Buenos Aires, 23 Oct (TELAM)—Peruvian Defense Minister General Julio Velazquez Giacarini, retired, who is visiting Argentina, has met with President Carlos Menem. Gen Velazquez also held protocol meetings with his Argentine counterpart, Italo Luder, and the chief of staff of the Armed Forces.

Velazquez Giacarini was received by Luder during a protocol visit to the Defense Ministry. The visitor then met with Vice Admiral Emilio Osses, chief of the joint staff; Brigadier General Isidro Caceres, Army chief of staff and Brigadier Major Jose Julia, Air Force chief of staff.

Rear Admiral Antonio Mozzarelli, Navy deputy chief of staff, represented the Navy because Rear Admiral Jorge Ferrer, Navy chief of staff, is now in the United States, participating in a symposium on maritime power.

Later, Velazquez Giacarini, along with Luder, went to Government House where they were received by President Carlos Menem.

Weapons 'Arsenal' Found in Buenos Aires

PY2410204489 Buenos Aires Domestic Service in Spanish 1500 GMT 24 Oct 89

[Text] A military arsenal has been found in Palermo, in the federal capital. The arsenal was discovered during a search of an abandoned house performed by Federal Judge Miguel del Castillo. The judge found 6 boxes of 11.25-cal ammunition, 3 antiaircraft missiles, a large quantity of parts for military weapons, 12 boxes of FAL rifle ammunition, and other weapons.

Bolivia

Paz Unable To Attend Costa Rica Summit

PY2510133089 Madrid EFE in Spanish 0212 GMT 24 Oct 89

[Text] La Paz, 24 Oct (EFE) According to government sources, Bolivian President Jaime Paz Zamora will not attend the American "summit" in Costa Rica next weekend. The sources added that he will not be officially represented either. Information Minister Manfredo Kempff said that Paz Zamora turned down the invitation to go to San Jose on 27 and 28 October because "his official agenda is overloaded" and because of the proximity of his meeting with Argentina's President Carlos Menem.

Paz Zamora will meet with Menem between 10 and 15 November, however, the exact date and location have still to be decided.

Paz today sent a letter to his Costa Rican counterpart Oscar Arias apologizing for not attending the "summit" that will gather nearly 30 other American presidents to commemorate the 100th anniversary of the installation of democracy in Costa Rica.

Kempff said: "The president decided to turn down the invitation despite a Senate recommendation to accept it."

Official sources told EFE that no other government official will represent Paz Zamora in San Jose. The Bolivian Congress will, however, be represented by Chamber of Deputies President Fernando Kieffer and Senate President Gonzalo Valda.

Paz Zamora and Arias are ideologically close because both their respective parties are members of the Socialist International.

Government, Venezuela Release Joint Communique

PY2410225689 La Paz EL DIARIO in Spanish 16 Oct 89 pp 1,3

[All quotation marks as published]

[Text] Venezuelan President Carlos Andres Perez and Bolivian President Jaime Paz Zamora have said they vigorously reject drug trafficking and the illegal consumption of narcotics, and have admitted that efficient international cooperation, duly respective of the sovereignty of nations, is necessary. The two presidents signed a joint declaration in Santa Cruz, the last leg of President Perez' visit to Bolivia. President Perez stated his support for the national government's fight against drug trafficking and said he understood the nations involved in the illicit trade have different characteristics.

The declaration states that drug trafficking causes various economic distortions.

The two presidents also stressed the importance of implementing the Rodrigo Lara-Bonilla agreement signed by the Andean Pact countries and aimed at fighting drug trafficking.

Carlos Andres Perez and Jaime Paz Zamora also discussed other regional and world issues of common interest.

Here is what the 15 October declaration says:

"The two presidents noted with satisfaction that regional and world countries are becoming soundly aware of the problem, and stressed that this situation paves the way for new international relations based on a better understanding of the problem and leaves behind former hegemonic political positions, dogmatic concepts on the ideological front, and strictness in the areas of financial and economic cooperation.

The two presidents expressed their satisfaction at the consolidation of the democratic system in the region, thereby broadening the possibilities of dialogue, agreements, or the integration of the area, and creating the basic conditions for respect of human rights.

On the Central American situation, the two presidents expressed satisfaction at the results of the 5-7 August presidential summit in Tela, Honduras, because the meeting helped the search for peaceful, independent, and stable solutions to area conflicts. The two presidents vowed to support the resolutions of the Tela summit.

The two presidents expressed concern over the present situation in Panama. In view of the serious disruptions to the democratic system in that country, the presidents suggest that the OAS send a new mission to that country and a report to the Inter-American Human Rights Commission, stressing that the Panamanian people are the ones who must solve Panamanian problems. The two presidents emphasized that the Torrijos-Carter agreements must be fully respected in order to guarantee the Panamanian people their sovereign rights.

The two presidents expressed their pleasure over the results achieved at the presidential summit of the Permanent Mechanism for Consultations and Political Agreements held in Ica, Peru, on 11 and 12 October. They expressed their hope that the achievements of this meeting will contribute to the effective exercise of democracy.

They also reasserted their will to promote regional and subregional integration processes as tools of unity, and socioeconomic development in Latin America. To this effect, they reasserted their support for all efforts necessary to have the Andean integration process encompass specific and effective prospects for achieving the basic objectives established in the Cartagena Agreement. They have instructed their foreign ministers to join efforts to achieve this goal in the upcoming Andean Council meeting to be held in La Paz on 20 and 21 October 1989. In a broader context, the two presidents reasserted their commitment to supporting Latin American cooperation and integration, because they are aware that the continent will be able to increase its influence at the international level and face the current international challenges only through Latin American unity. In this regard they reasserted their commitment to strengthening SELA [Latin American Economic System] and ALADI [Latin American Integration Association], both of which are essential mechanisms to achieve the previously mentioned objectives.

The two presidents categorically condemned drug trafficking and the illegal consumption of narcotics. They also noted the serious socioeconomic problems caused by this scourge as well as the economic distortions that the financial inflow derived from this illegal trade causes to the economies of regional countries. They recognized the need for a more effective international cooperation, pledging due respect to the sovereignty of nations, to definitely eradicate this crime against humanity by combating in each country the problem at the different stages of production, trade, and consumption.

Within this context, they praised the unceasing struggle and the systematic action carried out to eradicate this scourge, and they emphasized the importance toward this end of the Rodrigo Lara-Bonilla agreement signed and approved by the five Andean Pact member countries.

Convinced that development and environment are inseparable, the two presidents expressed their concern over the progressive deterioration and imbalance of the ecology because it has a direct influence on the conditions of human life. They stressed that the deterioration of the environment is closely linked to poverty and underdevelopment. They added that to avoid this, developed and developing countries must create adequate conditions that will allow a balance between the need to develop and the safeguarding of nature.

The two presidents declared that the disarmament policy and the policy to eradicate medium- and short-range nuclear weapons may lead to the achievement of agreements that, instead of promoting the investment of resources in the manufacturing of weapons, will promote the investment of resources in development policies, and the shortening of the socioeconomic gap between rich and poor countries.

They agreed that the results of the recent conference of chiefs of state of nonaligned countries held in Belgrade, Yugoslavia, represented a significant contribution to the strengthening of world peace and the development of nations.

They reasserted the need to establish a political dialogue with governments of industrialized countries to overcome all obstacles that impair development, and to promote the establishment of a new international economic order.

The two presidents expressed their concern over the slight progress that has been made regarding the solution of acute economic problems and the recession affecting developing countries. They established that prompt actions must be undertaken to face pending problems, and they insisted on the need to establish a new international economic order based on equal terms, respect for sovereignty, constructive interdependence, and ample cooperation between countries.

Within this framework, they noted the adverse effects that developing countries are experiencing because of the progressive deterioration of trade terms in view of the

general characteristics of current international trade, which are unfair and exclusive, and the ever-increasing "difficult acces to the markets of industrialized countries, to the protectionist measures and the subsidy policies adopted by these countries.

They stated that foreign debt problems affecting developing countries must be resolved through a policy that recognizes the principle of the shared responsibility of debtor and creditor countries, private banks, and international financial organizations, so as to allow a substantial reduction of the debt and to safeguard appropiate investment levels in debtor countries."

The presidents reiterated the validity of the Third World position, stressing that a South-South summit would provide a major opportunity for designing a consistent negotiation strategy for the foreign debt and for promoting cooperation in all fields.

Convinced that the new international situation demands the consideration of new issues in the North-South dialogue, they concluded that this dialogue must be reactivated and that it should include social, ecological, and drug issues, so that industrialized nations and developing countries may coordinate their policies to meet these challenges.

Regarding a point raised by President Jaime Paz Zamora on the need to solve Bolivia's landlocked situation through a sovereign access to the Pacific Ocean, the Venezuelan president reiterated that the Venezuelan Government and people fully support the just cause of the sister Bolivian Republic, in keeping with the spirit of the Ayacucho Declaration and with the efforts to promote integration and continental solidarity.

The two presidents, who were determined to strengthen bilateral relations in all fields, analyzed the development that their countries have recently achieved. They reiterated their firm will to strengthen bilateral cooperation ties.

To this end, the presidents decided to implement bilateral cooperation programs within the framework of the Venezuelan-Bolivian joint committee. They therefore decided that the committee will hold its second meeting as soon as possible.

The agenda will attach priority to the areas of financial, commercial, farming and livestock, health, education, technical, scientific and cultural cooperation, and hydrocarbon development.

The Bolivian president thanked the Venezuelan president for the support that Venezuela extended for studies for the Sucre-Potosi-Tarija highway, which were concluded in November 1982.

The presidents reaffirmed the importance of the cooperation program that the two countries agreed upon on 8 August 1975 for paving the "Los Libertadores" highway, which joins Sucre, Potosi, and Tarija. They reiterated their resolve to jointly resort to international financial organizations for the construction of the highway.

Venezuelan President Carlos Andres Perez expressed his will to support the initiatives that Bolivia may promote at the Paris group to obtain international financing and cooperation for promoting Bolivian socioeconomic development.

Seeking to give practical meaning to bilateral economic relations, the two presidents decided to encourage the exchange of private business missions.

With a view toward promoting bilateral relations, the two presidents established a reciprocal visa exemption mechanism that will benefit officials with diplomatic, official, and service passports, under the terms of an accord that was signed on this date.

The president of the Republic of Venezuela expressed his satisfaction over having started his visit at the old imperial city of Tiwanacu and over the pleasant opportunity of remembering the liberator in Potosi, a city which is a monument for the Americas and which belongs to humankind's cultural heritage. The Venezuelan president offered support for the actions that Bolivia may undertake with a view toward preserving, continuing, and completing the restoration work done by the Bolivian Government in both cities.

At the end of this presidential meeting, the two chiefs of state noted that the talks were held in an atmosphere of fraternal understanding.

The Venezuelan president thanked the Bolivian president for the multiple expressions of appreciation and warm welcome that the Bolivian Government and people extended to him and his delegation. The Venezuelan president invited the Bolivian president to pay an official visit to Venezuela. The Bolivian president gladly accepted the invitation. The date for the visit will be established at an appropriate time.
Santa Cruz de la Sierra, 15 October 1989.
Carlos Andres Perez, president of the Republic of Venezuela, and Jaime Paz Zamora, president of the Republic of Bolivia.

Armed Forces Chief Joining Antidrug Battle

PY2410154889 La Paz PRESENCIA in Spanish 14 Oct 89 p 7

[Text] General Jorge Moreira, Armed Forces commander general, has said that the Armed Forces will participate in the search and capture of alleged Colombian drug traffickers reportedly in the country "if the situation reaches crisis levels."

Moreira said, however, that the Special Antinarcotics Force has enough resources to control the situation and that he has not considered intervening.

Special Antinarcotics Force Commander Lucio Anez Rivera yesterday confirmed that groups of Colombians linked to drug trafficking have been seen at farms and ranches in Beni Department.

This report adds to the one made by Daniel Cabezas, president of the Senate Committee on Narcotics and Drug Addiction, who said that reliable sources had reported that presumed Colombian drug traffickers had been spotted in Beni.

Cabezas said that if the situation reaches crisis levels the Armed Forces will intervene to control the activity of these groups, which fled from Colombia after their government declared a total war on drug trafficking.

Interior Minister Guillermo Capobianco has said the government will study the Antinarcotics Force report.

More Appointments to Special Antinarcotics Force

PY2410151089 La Paz PRESENCIA in Spanish 14 Oct 89 p 8

[Excerpt] A total of 61 commanders, deputy commanders, chiefs, and high-ranking officials, 90 percent of whom are police officers, make up the command of the Special Antinarcotics Force at the national, departmental, and provincial levels.

A special report states that the order of assignment of the Special Antinarcotics Force is the result of a reorganization process conducted by Interior Minister Guillermo Capobianco, Social Defense Under Secretary Gonzalo Torrico, and Special Antinarcotics Force Commander General Lucio Anez Rivera.

The Special Antinarcotics Force is headed by Gen Lucio Anez Rivera. His command is made up of Frigate Captain Fernando Cortez Tavera, representing the Navy, and Colonel DESP [Graduate from the Police College] Alfredo Cardozo, representing the National Police.

The operational staff is made up of Colonel DESP Max Arteaga Balderrama, personnel chief; Colonel DESP Miguel Cortez, Intelligence Department chief; Colonel DESP Eddie Villaroel Cordova, Planning and Operations Department chief; and Colonel DESP Felix Cuevas Moreno, Logistics Department chief. [passage omitted]

Decree on State Possession of Seized Property

PY2410224289 La Paz EL DIARIO in Spanish 19 Oct 89 pp 1, 3

[Excerpts] Supreme Decree No 22337, which was passed by the government 18 October, was described as "very important." The decree stipulates that property confiscated during antidrug trafficking operations will belong to the government to be used as it sees fit.

This was reported by Interior Minister Guillermo Capobianco and Aeronautics Minister Luis Gonzalez Quintanilla. Capobianco said that this decree is a legal instrument "that will definitively put in order the destination of the property confiscated from drug traffickers, since Law No 1008 does not provide for this and allows drug traffickers to recover their property, houses, vehicles, and airplanes." [passage omitted]

The government officials said that one reason this decree was passed is that the Law of Special Regulations for Coca and Controlled Substances foresees that property used for criminal purposes should be confiscated to the benefit of the government.

"Drug traffickers were previously able to recover their property through the action of unscrupulous lawyers thanks to the faults of Law No 1008; however, the government has rapidly approved a legal mechanism to correct these cases, particularly airplanes, since from the beginning the Air Force believed it was entitled to keep the drug traffickers' aircraft," the interior minister said. [passage omitted]

In reply to a question, Aeronautics Minister Luis Gonzalez Quintanilla said that since 1986 the Bolivian Air Force has kept "about 50 aircraft confiscated" from drug traffickers.

He said that 30 percent of these aircraft had not been registered in the Civil Aeronautics Directorate since 1986, and another 30 percent still have no legal documents.

Here is the text of Supreme Decree No 22337 of 17 October 1989, approved by President Jaime Paz Zamora's administration:

Article 1. Property confiscated for committing crimes specified in Paragraph 3 of Law No 1008 of 19 July 1988, will be used by the government for the public interest alone and without paying compensation.

Article 2. Property confiscated for the government will be registered under the National Council against Drug Abuse and Illegal Drug Trafficking (CONALID), and it will be administered by the Interior, Migration, Justice, and Social Defense Ministry [as published] in keeping with Article No 71, clause B of Law No 1008.

Article 3. Soon after a police operation in which drug traffickers' property is confiscated, a detailed document must be drawn up describing the quantity and condition of the confiscated goods.

Within 72 hours of being drawn up, this document must be sent to the Social Defense and Justice Undersecretariats. Noncompliance with this article will make those responsible for the operation liable to criminal penalties for having concealed information. They may be tried by a special prosecutor and punished by the commander of the police or military unit that participated in the operation.

Article 4. Any civilian, police, or military authority, official, or employee who uses the confiscated goods for their own benefit or for the benefit of third parties will be punished for extortion. The pertinent criminal action will be officially brought and carried out by an appropriate representative of the Office of the Government Attorney.

Article 5. Paragraph E of Article 34 of Supreme Decree No 22099 of 28 December 1988 is hereby totally

changed and replaced by the following: "E. Certificate of Confiscation [acta de confiscacion]."

Article 6. Article 28 of Supreme Decree No 22099 of 28 December 1988 is hereby abolished.

The interior, migration, justice, and social defense minister [as published] as well as the aeronautics minister are hereby entrusted with implementation of and compliance with the current supreme decree.

This supreme decree was released in the Government Palace in the city of La Paz on 17 October 1989.

Minister Garcia Announces Investment Plan

PY2110183089 La Paz La Red Panamericana in Spanish 1130 GMT 21 Oct 89

[Text] Planning and Coordination Minister Enrique Garcia has reported that the government has decided to move ahead with the plan aimed at attaining the objectives set forth in the investment plan for the next 3 years.

During a news conference the minister said that in light of the meeting that will take place in Paris on 27 October, the Bolivian Government is looking for foreign support in order to implement true economic reactivation.

The minister explained that in order to attain growth targets for the next 3 years, the government will have to obtain foreign financing totaling $2.175 billion. He explained that this means that Bolivia should get $560, $805 and $810 million in 1990, 1991, and 1992, respectively.

Minister Garcia said that 60 percent of the preliminary plan that the government proposes to submit to the Paris meeting is aimed at projects already under way, and the remaining 40 percent is made up of projects still to be negotiated. The latter 40 percent comprises projects worth a total of $840 million.

The government plan assigns top priority to mining, hydrocarbons, transport, agriculture and livestock, and to those proposals directed at propping up the social sector by increasing government investments in health care, education, and sanitation. He added that the government will soon begin negotiating $2.8 billion worth of assistance to prop up the balance of payments and finance public investments.

Peruvian Terrorists Cause Concern on Border

PY2510125489 Madrid EFE in Spanish 0418 GMT 24 Oct 89

[Excerpts] La Paz, 23 Oct (EFE)—Bolivian officials have expressed their concern over the presence of Peruvian Shining Path terrorists on the border between the two countries. They also announced the deployment of military forces along the border.

In remarks published today by the local press, General Felipe Carvajal, Commander General of the National Police, stated: "The Shining Path is operating along our borders and we have done nothing about it so far." [passage omitted]

Defense Minister Hector Ormachea yesterday announced that military troops will be deployed from Bolivian cities to the border areas.

According to the defense minister, the next deployment of military forces to reinforce the border areas follows reports on "the unprecedented entry of foreigners who are plundering" the country's natural resources, including wood and gold.

Moreover, the police commander has stated that terrorism "is a permanent latent factor" in Bolivia. As an example he mentioned the Indian-Marxist organization "Zarate Willka Armed Forces of Liberation."

This group began its activities in August 1988 when it attacked the official motorcade in which then-Secretary of State George Shultz was traveling. No injuries were caused by the attack.

On 24 May this year, the same organization murdered two U.S. Mormon missionaries on a crowded street in La Paz.

Satellite Television To Be Inaugurated 5 Nov

PY2410214089 La Paz EL DIARIO in Spanish 20 Oct 89 p 7

[Text] The DOMSAT-BOLIVIA Project Master Station parabolic antenna was installed 19 October. ENTEL [National Telecommunications Enterprise] technicians cooperated with experts from the U.S. firm Scientific Atlanta [CIENTIFICA ATLANTA] that supplied the equipment to mount it.

After the dish is placed on its final platform on 20 October, the project team will begin connecting the electronic equipment to the antenna. The station will begin sending television signals to all corners of the country in the 1st week of November.

The antenna installation is part of an important project that includes, in its second stage, a national and international telecommunications service involving various sities in eastern Bolivia.

The dish is 11 meters wide. The equipment weighs some 15 tons overall.

The dish was placed on its platform by a crane provided by the firm Alanoca. Technicians and reporters attended the ceremony to witness this important event for ENTEL and our telecommunications. The installation will particularly benefit Beni, Cobija, parts of Santa Cruz, and the area north of La Paz.

The DOMSAT master station will be utilized to access our transponder on the INTELSAT satellite 5A-F13 [53.O-W]. This satellite is located at 307 degrees of the

spectrum [as published] and will be linked to 14 smaller ground stations that will be built at various locations in eastern Bolivia.

The other 14 ground stations will be built next year, and the complete telecommunications service is scheduled to become fully operational in 1991.

With an ordinary parabolic antenna, anyone in Bolivia and neighboring areas will be able to pick up the television signal.

According to ENTEL authorities, "as of 5 November our country will be integrated through television images."

Brazil

Cooperation Accord Signed With Malaysia

PY2110182089 Brasilia Domestic Service in Portuguese 2100 GMT 20 Oct 89

[Text] Brazil and Malaysia have signed a cooperation accord on mineral development. The document was signed in Kuala Lumpur by Malaysian Primary Industries Minister Lim Keng Yaik and by Vicente Fialho, Brazilian minister of mines and energy. The accord provides for bilateral cooperation through joint ventures [two preceding words in English] for the development of natural resources.

Police Unable To Cope With Border Trafficking

PY2310194289 Rio de Janeiro O GLOBO in Portuguese 22 Oct 89 p 16

[Text] The doors of Rondonia State are permanently open for smuggling cocaine into the country's large consumer centers. There are "official posts" for the entry of cocaine in at least six cities along the 1354-km border with Bolivia, cities such as Vila Nova do Mamore, Guajara Mirim, Costa Marques, Alta Floresta, Cerejeiras, and Cabixi. Cocaine is brought to Porto Velho and Ji-Parana by plane. The Federal Police know where the entry points are and who the operators are. The police have a plan to combat them. Nevertheless, the police are unable to do much about it because of personnel and equipment shortages.

There is no opportunity for cooperation between the Brazilian and Bolivian police. The Bolivians contend that Brazil receives pure cocaine only because ether and acetone produced here are first smuggled into Bolivia. The Federal Police do not know the quantity of chemical precursors for cocaine refining taken to Bolivia every year through Rondonia, but they admit they are powerlessness to reduce that flow.

The shipments of ether and acetone to Bolivia are routed through the cities of Cacoal, Alvorada do Oeste, and Guajara Mirim. A clandestine landing strip was discovered in Cacoal 2 years ago. Two 200-liter drums of acetone and 14 50-liter containers of potassium permanganate were discovered ready to be flown out. The owner of the land where the clandestine strip was located, businessman Abdiel Pinto Rabelo, and his employee Manoel Benicio are free, and the landing strip is back in operation.

Not only do Bolivian policemen fail to help combat drug trafficking, but they help to bring cocaine into Brazil. Three times this year, Bolivian policemen have been arrested in Brazil for possessing cocaine.

Network Revealed in Rondonia

PY2310155089 Rio de Janeiro O GLOBO in Portuguese 22 Oct 89 p 16

[Text] The arrest of 15 people in Ji-Parana has revealed more details of cocaine trafficking activities in Rondonia. Traffickers' leader Dorival Benardi is one of the richest and most powerful men in Ji-Parana. He owns ranches and stores. Ji-Parana police inspectors have said that the arrest of Bernardi comes as no surprise.

Morio Ikegawa, the civil police regional delegate of Ji-Parana, has said that the activities of traffickers has become increasingly open, adding that they are not afraid because they are almost certain of their impunity and of the powerlessness of the federal police.

Bernardi and his accomplices, who are being held in three cells in Ji-Parana, are quite calm because they believe they enjoy impunity. Bernardi has stressed that he will be released before the end of the month. The traffickers' lawyers have already submitted a request to relax the imprisonment conditions on the grounds that the police tortured the detainees to obtain their evidence. The Bernardi family provides financial support to three politicians of different parties.

Like Bernardi, there are several businessmen who are efficiently handling the trafficking of cocaine, which is managed by three groups in Rondonia. The strongest and oldest group is headquartered in Carcoal and it has branches in Carejeiras and Alvorada do Oeste. The second group, which operates in Guajara-Mirim, is led by Saint-Clair Machado de Lima, one of the richest men in the Rondonia region, which borders with Bolivia. The third group, which is led by Bernardi, was dismantled in Ji-Parana with the help of rival gangs.

Some 2 months ago, 2 traffickers were arrested in Porto Velho at a clandestine airport on a ranch 52 km from the downtown sector of the state capital. They were carrying 5 kg of cocaine. The drug was confiscated, the airstrip was closed, and the traffickers were released after 2 weeks of negotiations between their lawyers and the courts. A lawyer for brothers Armando Luis and Laucidio Freitas, who own the Liberal Air Taxi firm, said that the gang was released after payment of 12 kg of gold in compensation and tips.

Rondonia's highest political echelons are involved in cocaine trafficking. A plane owned by Rondonia Senator Olavio Pires (PTB) [Brazilian Labor Party], who will run for the post of Rondonia governor next year, was seized in

Sao Paulo a little over 1 year ago carrying more than 100 kgs of cocaine. In Brasilia last year, a Mercedes Benz owned by Pires was searched by the federal police, who were looking for marijuana after receiving an anonymous tip.

The traffickers and the police agree at least on one point: Drug trafficking will continue to grow if impunity prevails and if the police remain inadequately equipped.

Record Number of AIDS Cases Reported in Sep

PY2110155089 Rio de Janeiro O GLOBO in Portuguese 19 Oct 89 p 8

[Summary] In September the Health Ministry was notified of 603 new cases of AIDS, the largest number reported since 1983. This number of new cases, making a total of 8,390 cases since 1980, represents almost double the average monthly number registered. In 1985 the number of cases was 3.5 per million inhabitants. In 1986 it grew to 6.7 cases, in 1987 to 14.3 cases, and in 1988 to 21.4 cases per million inhabitants.

* Collor, Brizola: Economy, Debt, Social Themes

33420095 Rio de Janeiro O GLOBO in Portuguese 10 Sep 89 pp 12, 13-16

[Interviews with Fernando Collor and Leonel Brizola by panel of Globo TV journalists and representatives of civilian society on the nightly television news series "The Electronic Podium;" interview with Fernando Collor precedes interview with Leonel Brizola; first five paragraphs are O GLOBO introduction]

[Text] O GLOBO is reproducing the full texts of the interviews given by the two men who, according to the latest opinion polls, are the leading candidates for president of Brazil—Fernando Collor de Mello (PRN) [National Reconstruction Party] and Leonel Brizola (PDT) [Democratic Workers Party]—during the series "The Electronic Podium" carried nationwide during the past two weeks by Globo TV.

Participating in the interviews were journalists Joelmir Betting, Lilian Witte Fibbe, and Carlos Monfort. The moderator was Alexandre Garcia. All of these are Globo network professionals. Representing civilian society was Herbert de Souza—"Betinho"—who questioned the ten candidates who took part in the series, each on a different day, on a wide variety of subjects.

Special guests representing specific segments of society were invited to take part in each program. These guests asked questions directly of the candidates via video terminals set up in Globo TV's Sao Paulo studios.

Broadcasting live—at 2230 Tuesdays through Fridays and at 2330 on Mondays—"The Electronic Podium" has given the Brazilian voter an hour every day of information on the presidential candidates' platforms, explained by the candidates themselves. The series "The Electronic Podium" has given the Brazilian voter a chance to become more familiar with the ideas of the principal candidates via a democratic discussion process, questions on the platforms, and their respective explanations.

Collor: 'Brazil Will Be One of the Big Eight'

Sao Paulo—The PRN candidate for president of the Republic, Fernando Collor de Mello, believes that if elected he will make Brazil one of the world's eight leading industrial nations by the end of his term of office. He announced his intention last Thursday, when, as a candidate, he participated on the program "The Electronic Podium" aired by the Globo TV network and answered questions posed by network journalists, by Clovis Rossi (of FOLHA DE SAO PAULO), by sociologist Herbert de Souza, and by businessman Olacyr de Moraes, president of the Itamaraty Group. Fernando Collor, who expects the inflation rate to drop to 20 percent by March, also said that he plans to review the issue of paying off the foreign debt and to invest more in the health sector. Following is the full text of the program:

[Alexandre Garcia] Governor, what are your plans to solve the number one problem facing the Brazilians, i.e., inflation?
[Collor] To start with, I think that the Brazilian citizen has two major problems to solve and two major enemies to defeat: inflation and corruption, respectively. There is no question that inflation torments the lives of each of us and we have to defeat it, first of all, by putting an end to the expectation of inflation. With the coming elections, this expectation of inflation will cease to exist, thanks to the atmosphere of confidence that will then prevail between society and a government that will have been legitimately constituted by popular vote on 15 November. Later, there must be a thorough reform of the state, which would entail a reform on the tax issue, an administrative reform, a property reform, and also an thorough review on the subject of the foreign debt. If we face up to all these problems from a position of legitimacy, and battle them decisively, courageously, and persistently, I don't have any doubt at all that in a year and a half we will have defeated inflation—if not totally, at least virtually so, because we will keep it down to 3 percent per month, at the most.

[Joelmir Betting] An inflation that is running at 30 percent a month might not yield by next March, and that would create a state of national emergency for the newly-inaugurated president, were it to continue at that level of 30-40 percent. Using the credibility of a new administration, elected by the people, would you administer a shock treatment or attempt a pact?
[Collor] No shock treatment. My plans do not include administering any shock treatment, or any freeze. Whoever is elected president will necessarily have to arrive at a broad-based national understanding. He will have to administer a shock treatment, yes, but it would be a credibility shock, a shock of confidence, and that's what will happen because, for the first time in this country, we will have a president who was elected by half-plus-one of the electorate, by an absolute majority of the Brazilian population. And that will make him the depositary of all

our hopes, will give him a power of attorney for him to use well, God willing, in order to bring about the reforms and the comprehensive social changes we have been needing.

[Joelmir Betting] You mean there would be no way out except through that pact?

[Collor] No. I believe that an understanding—I would prefer to call it an understanding—is essential. Without such an understanding, it would be impossible to resolve the most serious national issues. We saw the two biggest parties in Brazil, the PMDB [Brazilian Democratic Movement Party] and the PFL [Liberal Front Party] join forces in this condominium that is the New Republic. They held the best positions, but despite their being the largest parties and having—in theory—the best people, when they joined forces in that bankrupt condominium association which is the New Republic, they left us a country entirely devoid of hope. So I think that we're faced with a much bigger task than bringing together one, two, or three parties. It's a gigantic task, which society as a whole must resolve, with a legitimately-constituted government, the depositary of the nation's trust and with the participation of all segments of Brazilian society.

[Lilian Witte Fibbe] Governor, such an understanding will necessarily take a long time to build up. The next president is going to take office in a situation that is almost an economic emergency. Right now, in the month of September, inflation has already reached 30 percent according to official figures. God knows what the inflation will be when we get to March, 1990. Do you think that the Brazilian citizen is going to be able to wait for you to work out that understanding, something that has already been attempted by the present administration?

[Collor] Well that's the problem. An understanding assumes that each one of the parties involved in it performs the duties that were assigned to him. It happens that the present administration, which has always participated as a matter of course in those understandings—recently called "pacts"—has never actually carried out what it was assigned to do. You get some broad-based negotiations underway, and then, overnight, the administration comes out with that summer package, to the surprise of everyone who had been working on an important pact. What I'm saying is that's unspeakable treason, it's stabbing in the back those who are, with all good will, participating in that pact. I don't believe that the future president of Brazil will have more than 6 months to show clearly that the measures he is implementing are the ones that Brazil needs. Of course society is not going to expect to see practical results in 6 months, which would be pretty gratifying for all of us, because we know that the results will be harvested a little further on, but there needs to be this feeling, by Brazilian society at large, that the measures being adopted are putting us on the right road.

[Lilian Witte Fibbe] Does this mean that you wouldn't be carrying some emergency plan in your pocket on inauguration day?

[Collor] It's not a question of an emergency plan, because in fact today's emergency may not be tomorrow's emergency. Today we're at a point where inflation is 30 percent per month, our reserves total some $6 to $6.5 billion, and we need and expect that this scenario will look much better in March when the new president takes office. What I mean is, we expect that this inflation rate will be cut down to the level of 20 percent, for example.

[Lilian Witte Fibbe] Do you really expect that inflation will drop by March?

[Collor] The outlook is rather positive, although one can't be excessively optimistic. The scenario would feature inflation of about 20 percent, reserves of about $10 to $11 billion. But we also have in mind some more dramatic scenarios that would bring us to an inflation of 40 percent in March, with reserves of only $4 or $5 billion. That, of course, would imply that the time frame for the measures would have to be—for many of them, anyway—moved up. That's why the so-called emergency plan can only be put into effect at the moment when that emergency is at hand.

[Carlos Monfort] Part of your plan for governing was disclosed 2 days ago. In it you say that you don't plan to develop ties with Latin American countries as other candidates are talking about doing; instead, you want Brazil to ally with and feel close to countries in the First World, to the seven big powers such as the United States, England, Federal Republic of Germany, France, Italy, Japan—countries to whom we owe a lot of money. How do you plan to pull off this miracle?

[Collor] We have to be able to be daring. I don't feel comfortable, as a Brazilian, in this position of the perpetual leaders of Third World countries. The humiliation this country experienced at the recent events commemorating the bicentennial of the French Revolution is unconscionable; we weren't admitted to the hall where the industrialized countries were. Well, that statement of mine was made in response to a question posed about the Group of Seven. I said: "Group of the Seven richest, no. You can write 'Group of Eight.'" If elected president, I plan to see that Brazil gets to sit down at the table with that group—and then there will be eight, not seven. Now, I say this without losing sight for an instant of the enormous importance of Latin American integration. No one is more aware than I of the need for us to integrate, to achieve solidarity in order to resolve our crucial problems. However, integration must not be seen as something that is feasible or possible at the present time, because integration today would mean integrating inflation, integrating misery, integrating a monstrous external debt. None of the countries is in a position, or able, to resolve its own problems—much less to join forces with the others and thus aggravate the problems that are afflicting us.

[Carlos Monfort] Do you think that's possible?

[Collor] Of course it's possible, but we have to have other goals. I can't accept the idea that Brazil, this extraordinary country we live in, should be relegated to that plane.

I don't have a trace of inferiority complex. On the contrary, I believe that we Brazilians must dare to be great, and we should not accept this subordinate position. Brazil doesn't have to be second, it must be first, it must be among the first. Our partners—the ones that will lift us up to a position of economic development, of increased social well-being—are the countries of the First World, although we must never forget that our Third-World roots must not be pushed aside, much less forgotten.

[Herbert de Souza] You spoke in terms of two enemies. I would like to have the pleasure of introducing a third one: the external debt. But first I would like to remind you of an observation made by a Minas banker, who said that interest is the perfume of capital. Brazil exports billions of dollars that are extracted from our society just in order to pay the interest on our debt. How are you going to be daring when it comes to the international bankers?

[Collor] My proposal concerning the foreign debt is very clear. I agree with you that this hemorrhage has to be stanched; we cannot continue to send billions and billions of dollars out of Brazil. It weakens our internal market, concentrates our income in fewer hands and aggravates our regional disparities. In 1980, for example, we owed the international bankers $53 billion. Since then we have paid out $105 billion in interest on the foreign debt without paying off one cent of the principal, and still we owe $112 billion to the international financial system. In 1988, when we obtained a record surplus in our trade balance—almost $20 billion—we sent that money right back to other countries to pay the interest charges on that same external debt. It is impossible for us to keep going this way, and so my proposal is crystal clear. It's not a question of finding out how much we will be able to grow after paying the foreign debt, but rather how much we will be able to pay after ensuring our economic growth. That is what is of fundamental importance and that's why my proposal refers clearly to a withdrawal of the guarantee given by the Brazilian Government on the loan contracts entered into by the financial system which, even today, are still backed by the state. This would decentralize the negotiations on the debt, so that it would be handled on a case by case basis; this would necessarily, inevitably, lead to an audit and thereby greatly improve our position at the negotiating table. Moreover, it would serve to considerably weaken the creditors' cartel. There are bankers who hold good loans and others that don't. There are bankers who lent money responsibly, i.e., to projects that were economically and socially profitable. This was not true of other bankers, however. When the petrodollars started flowing into the international financial system they—since they had to push those dollars somehow—didn't pay enough attention to the kind of projects they were financing. So those who lent money, for example, to pay for illuminated fountains in the central squares of some cities in the interior of Brazil, those who financed soccer fields and stadiums—naturally they'll be the ones who will encounter some difficulty during the renegotiation process.

[Herbert de Souza] I'd like to follow up on that question, because you said that you will withdraw the federal government's guarantee on the loans taken out by the states and municipalities. I don't believe that the states and cities in Brazil used the money only for soccer fields and lighted fountains. What side are you going to be on—on the side of the federal government, the states and cities, or on the side of the bankers?

[Collor] This is completely in line with the principle of federation for which all of us fought so hard. We fought for tax reform because we felt that the federative principle that rules in Brazil hadn't been carried out to its fullest extent. The theoretical independence of the states and cities made no sense in the absence of financial independence. And so the battle for the tax reform was the establishment, in the Constitution, of the federative principle which governs us. I think that each state must solve its problems; each state must try to weigh its problems against the resources available to it. I believe that each one should solve its own problems, it is no longer appropriate for the federal government to pull this tremendously heavy wagon that represents the debts incurred by the states and municipalities, absolutely not.

[Clovis Rossi] A little while ago, you mentioned a credibility shock. However, at a recent rally in Vila Paranoa, a Brasilia shantytown, you said from the podium that you used to do your Saturday shopping in a store in that neighborhood. Then, after you got back to your mansion, you admitted that you had never been to that store. I ask you: Is the credibility shock compatible with white lies like this one, told just to win a few votes?

[Collor] It's not a white lie and I am not exactly the kind of person, you would surely agree, who would try to scavenge a few piddling votes here and there. It wasn't quite that way. That's not the way I do things, that's not my style. What I said is that 17 years ago, we lived in Brasilia in a house that was less than 3 km from Vila Paranoa and there was a shop in Vila Paranoa that we always resorted to, like anyone else who lived in that area near the lake in Brasilia, when we needed to pick up something or other. You buy most of your things in the supermarket, but there's always something else you need and of course you have to buy it. That's what I said. I never said that I was the one who did that shopping, after all, there are certain people assigned to do that sort of thing.

[Olacyr de Moraes] Governor Fernando Collor de Mello, we have had a tremendous migration of farmers in this country. They traveled from Rio Grande do Sul, Parana, and Sao Paulo into the areas on the new Brazilian agricultural frontier. We have had enormous success with this enterprise, we have experienced huge increases in production to such a point that a state like Mato Grosso is practically on a level with Parana State, and it looks like it might even overtake Parana in terms of farm production. This happened because of an enormous amount of effort went into it, because the farmers really believed in Brazil. Now, however, these farmers find themselves in an extremely difficult situation, because

the new Constitution taxes agriculture very heavily. I'm talking about the famous ICM [Merchandise Distribution Tax]. This means agriculture is being taxed on its fertilizers, pesticides, irrigation equipment, machinery, and tractors—i.e., taxes are now being levied on top of taxes. And the most serious aspect of all this is that the ICM is now applied to freight charges too, to transportation. So the people in that region—so far from the centers of consumption are—because they have these huge problems, finding themselves much more heavily penalized, because the basis for the tax is now being calculated on the product at the port, in the region where it is consumed, not where it is produced. This has become an impossibly heavy burden on these farmers, to such a point that they now see you as their great hope. You know that the public opinion polls give you more than 50 percent of the votes in that region; the figures approach 60 percent. So I ask you: What will you be able to do to try to alleviate this problem?

[Collor] I would certainly defend the position of the small and medium-size farmers, the ones who are working, the large farmers who are working to produce the food we need in this country to feed thousands and thousands of Brazilians who are starving to death even now, on the eve of the 21st century. I have had a chance to see for myself, on the spot, that at a time when thousands of people are dying of hunger—while this is going on—4.5 million tons of rice owned by the federal government was literally rotting, having been stored, for the most part, in open-air sites because there was some unsolved bureaucratic problem between the CFP [Production Financing Commission] and the Ministry of Agriculture that resulted in the rice being exposed to the elements, rotting in the sun, the night air, the rain, while thousands of people are still starving to death here in Brazil. What we need, basically, is an agricultural policy that will take this issue into account, and also the question of the ICM. And what is the ICM? It's a tax that was created as a result of the tax reform. Then the responsibility for establishing this tax passed to the realm of the states. Of course, this kind of tax can only be established as such after being considered in Brasilia by a council on which all the state treasury secretaries sit, before it can be instituted. What we need is a way to compensate the farmer so that he has what he needs: clear rules, stable rules; as well as information on how he can start producing and what he should produce, the interest rates he will have to pay and the financing that will be available, the storage facilities, the minimum price policy, ways to move the product to market, and so on. And also, naturally, without having higher and higher taxes levied on the basic inputs of his production—taxes that, because they make the cost of production excessively high, prevent him from realizing a return on his investment.

[Lilian Witte Fibbe] Are you in favor of having the rural producer, as an individual, start paying income tax?

[Collor] The rural producers in Brazil should be treated as a class that deserves our full attention, that deserves all our expectations in terms of increasing farm productivity. I can't say specifically whether the exemption from the income tax by itself is really necessary and sufficient to make someone start farming and to increase his productivity. Basically, what we need is to establish a very clear farm policy, one that is easy to understand. What the farmer wants is nothing more, nothing less, than clear rules. And what we have been seeing in each of the past 3 years, is that crop records are being broken. Those record-breaking harvests were not achieved because of the administration's farm policy, because no such policy exists. Those records were achieved because of the stubborn persistence, determination, and courage of the farmer—with the help of Saint Peter. That's the true situation. It will be the job of the future administration to provide better conditions with these rules I mentioned, stable and very clear rules and, more than that, by promoting the incorporation of biotechnology into agricultural production. That is the great leap forward in quality which we need to have if we are to increase our productivity, give our internal market and our export structure the elements needed to feed our population here at home, and garner the dollars we need to finance our development in the domestic sphere.

[Herbert de Souza] I wanted to talk about a different side of the agrarian issue. I brought here with me to this program—and I'll show it to you afterwards—a list of the names of the 18 largest properties in Brazil, maybe in the world. One of them is Manasa Madeireira, which has 4 million hectares of land. The sum of the acreage of these 18 is equivalent to the combined territory of Switzerland, Holland, and Portugal.

[Collor] That's bigger than Alagoas and Sergipe together.

[Herbert de Souza] Well, the image you created in the eyes of the public is that of the maharajah-hunter. So I wanted to help you with your campaign by bringing you a list of the 18 biggest land maharajahs, the ones who are the real maharajahs. In fact, they were able to do all this—or not to do it—because of the subsidy and a series of frauds. So I'd like to know what you are going to do about the 18 estates that are on the list I'm going to give you.

[Collor] My position on that is also very clear. Of course it is difficult for any of us to accept at all, in our own conscience, the idea of someone in Brazil owning a 4-million hectare farm. It is excessive, certainly, but we also need to compare it with the size of Brazil as a whole. For example, a property of 3,200 hectares would be considered a large latifundium in Uruguay, but those same 3,200 hectares wouldn't really be a latifundium in Brazil. In the case of a property like that one, with 4 or 5 million hectares equivalent to the states of Alagoas and Sergipe combined—to frame the example in terms that are more meaningful to us—it's unthinkable, of course, that it should continue. Much more than a government decision is needed; there has to be a change in the mentality of this country. We can't make the question of agrarian reform an issue of the Left or the Right, of the communists or noncommunists. The agrarian reform issue is basically a social issue. Every country that

achieved economic growth or social success has implemented an agrarian reform plan. You see that in Japan and in South Korea. They implemented agrarian reform, and we here in Brazil have to move in that direction, too. Without any doubt at all, it's absolutely necessary. We will have social peace in this country only when there is this reconciliation, this understanding—not only on the part of the people who own that enormous tract of land, but by the government's making a political decision to carry out an agrarian reform. However, such reform cannot be instituted entirely apart from another major reform that this country needs, which is agricultural reform. Up there in my state, for example—in Alagoas—there's a lot of land in the semiarid region. It won't do any good to slice up that semiarid land and give a piece of it to each of our farm workers, to our men in the fields, if we can't at the same time offer him at least minimum conditions for working that land. In addition to those basic issues, he needs farm implements, seeds, a guaranteed minimum price, and so on; he needs, like all of us there in the Northeast, something called water. If they give us water, we can do the rest. Well, in order to bring in the water, we need irrigation. That's a basic infrastructure project that is the government's duty to start. It's up to the government to give it a push so that private enterprise, if it should want to participate in some related effort, can do so.

[Herbert de Souza] I think that what you have been saying is just common sense. I have my own special curiosity, as one who has fought for agrarian reform since birth, about those 18 properties. Four million hectares equals 4 million Maracana stadiums. You yourself say this is unthinkable. What can be done about it?

[Collor] What can be done is for us to establish the conditions that would help keep those lands from remaining in the hands of just one person. You can ask anyone about it, ask them what they think about one individual's owning a piece of property that is as big as the states of Alagoas and Sergipe combined. You ask: "Do you think that's fair, right?" They'll say: "No, it's not fair, not right." We've passed the point in Brazil where we can force things down people's throats. We've already gone beyond that period; we have a Constitution now that we must respect, that all Brazilians must respect. All of them, everyone. We can't put ourselves in conflict with our Constitution. What there has to be is a political decision by the administration to promote, to change that situation you're talking about, which was very painful to us when we found out about it. We must also change the mentality of those who hold those enormous latifundia, because they themselves are the only ones who are threatened by that excessive concentration, not only of lands, but of income.

[Lilian Witte Fibbe] Governor, let me change the subject. I want to talk about health. Today, the life expectancy in Paraiba State is 44, while the life expectancy in Rio Grande do Sul State is a little more than 70 years. That means that those who are born in Paraiba are sentenced to die an average of 26 years sooner than those who are born in Rio Grande do Sul. Do you have some immediate and objective plan to bring these into better alignment—preferably, of course, by increasing the life expectancy in those poorest states in your own part of the country?

[Collor] The problem with health in Brazil is that not enough is spent on it, and what we do allocate is spent badly, at that. We aren't even spending 4 percent of our GDP [Gross Domestic Product] on health. There are 50 million people in Brazil who don't have access to any kind of medical care. Per capita, we're spending about $100 on health, while other countries spend as much as $1,800. What we have to do is allocate more resources to the health field. My proposal, my objective once elected president, is to have that percentage rise from 3.8 percent, which is what is now being invested in health, to 10 percent by the end of my administration. In addition, we have to take very vigorous measures to restructure the hierarchy in the health process, to consolidate decision-making on health, and to decentralize activities in that area. I think that within that context—with that kind of funding and, of course, with integrity in applying those funds—that we'll be taking a big step toward increasing the life expectancy, not only for the population in the Brazilian Northeast but for the population of Brazil as a whole which, even today, is far below internationally accepted levels.

[Joelmir Betting] The president who is elected in November will have to work next year with the tightest budget we have seen in the past 30 years, a budget suitable for a bankrupt government that isn't going to have any money for anything. I ask you, how do you plan to get blood out of that turnip?

[Collor] It looks as though we won't see the detailed budget until 20 September, but we already have the impression that things are as you describe, very tight. The budget will be very tight and there is no way that we will have enough investment of our own to meet our needs. And there are people who talk about that every day. We are talking about economic growth; we have to seek economic growth and we certainly can't give up that aim, because it's the only way we will achieve the social welfare that we are pursuing. But how can we talk about economic growth if today we don't have enough electricity, if we are expecting rationing in 1991 or 1992, if we don't have transportation, if our highways are literally falling apart, if we don't have ports big enough to hanlde our needs, if we don't have communications? In the electricity sector alone we will need about $30 billion in investment over the next 4 years to prevent collapse. In the highway and roads sector we need $10 to $12 billion, and in communications, $6 to $8 billion. And where can we get that money?

[Joelmir Betting] Does this mean that to carry out a social program—housing, health, and education—we first have to go back to investing heavily in the economic infrastructure?

[Collor] We need to do both. I think this is vital. At the moment, the state is bankrupt. Yet, while people are

talking about a crisis, we see farm production increasing, businessmen selling, industries producing. But still we know that the country is mired in the worst crisis ever experienced its history as a republic. So then, where's the crisis? The crisis is with the state, this wrongheaded concept of the state. And that's what we have to change. It entails much more than changing the state, we have to go a little deeper. We have to develop a new way of exercising power. In Brazil in recent years, power has always been exercised by trying to strengthen the state, to build a giant Brazil, the Brazil of the economic miracle, the strong Brazil. And every time we beefed up the state under this false impression that we were building a strong Brazil, forging Brazil into a major power, we were forgetting the nation, forgetting the society. I believe that once elected president, what I would start to do is to have the power exercised not only as a function of strengthening the state but on the basis of society's happiness. And that would force the state to give up this gigantism, its irrationality, its inefficiency—that apparatus which is unhampered by ethics—to become a more agile, austere, and efficient state, a state that fulfills its assigned duties. It's no use today our having a state of this size, not this state that is the owner of everything, that intervenes in 70 percent of our economy but, meanwhile, can't pay our health and education professionals a decent salary—for example, can't put mercurochrome, gauze, and adhesive tape into the clinics so that they can give first aid to a child who falls down in the middle of the street and comes in for help. It's a gigantic, enormous, and extremely powerful state but one that can't put chalk or notebooks into the schools so that the teachers can teach a class. So that's not the kind of state I want. The state I want is a state that does its basic duty in the field of education, health, housing, and performs those duties so it can then win the respect of a society which feels itself somehow protected, by that same state, when it has to appeal to that state for aid.

[Carlos Monfort] A simple question on a complex issue—violence. It seems that Brazilians have been feeling less secure lately, both in the city and the country. Let's talk a little about the city. How you do you plan to alleviate at least this uncertainty in the lives of Brazilians?

[Collor] The issue of violence has been distressing us. But what bothers us much more than the violence itself is that it goes unpunished. For example, someone gets mugged on the street. He doesn't go to the police station to file a complaint. And that's they way it is, it's no use filing a complaint, it doesn't help, it's silly. A house is robbed. The owner of that house doesn't go to the police station to report it. Why doesn't he? If I go there, I have to identify the criminal, then they catch him, then they release him and he comes here to threaten me and my family. What we have here in Brazil today is an absolute absence of reverence for authority. We don't have a government, there's no authority, we no longer know who to complain to. We no longer know who to go to in order to demand our rights. As for violence—obviously it increases as long as the perpetrators are not punished. If those who are guilty of violence were certain to be punished, there's no doubt that we would see a much lower crime rate, but it's like a snowball. I mean we cannot resolve the question of violence just by putting more police into the streets, although of course it's necessary, it will have to be done, but it's not enough. What we need to do is go back and look at the causes, the origins of the violence and reestablish the principle of authority in this country, something that doesn't exist today. What I mean is that in Brazil today there's no authority, if you're talking about effectiveness. Theoretically maybe, but not in practice. So when the time comes that we have a legitimate government, when the principle of authority has been restored, and effective action starts being taken in this regard, there is no doubt that corruption will diminish, violence will diminish. This will, proportionately, increase economic growth and the possibilities for economic prosperity in this country.

[Olacyr de Moraes] Truly, a 4-million-hectare property, one that's unproductive, ought to be taxed in such a way that the owner would be glad to get rid of it. But, on the other hand, excessively small holdings lead to chaos in agricultural production. The United States, in 1920, had 6 million farms and today it has only 2 million. Brazil has 4.4 million farms but produces only a fifth of what the United States produces, and so I think that's the road we should take, and I would like to hear your views on whether we, independently, should have landholdings of a size compatible with the income for a single family and whether that's your opinion on the subject.

[Collor] Regarding this matter of land ownership, I have clearly and openly defended the capitalist system. I believe that the capitalist system, if you take its principles in their highest sense, can give the country the same social well-being that all countries today, regardless of the ideology that is presiding over the affairs of this or that nation, desire to see prevail. It is essential that we enhance its principles, and of course there is something that conflicts with true capitalism, and that is wealth which is accumulated for its own sake. Capitalism cannot permit resources to remain outside the productive stream of the economy. Money is meant to be invested in order to provide wealth and development. Today we defend the overnight funds market, a completely unproductive use of money, because it is clearly speculative—and we should point out that it came about because of the profound economic instability we are experiencing—but of course, once we have redirected the economy and society has regained confidence in it, those funds will leave that market and move into the productive stream of the economy. Well, the same will happen with the accumulated wealth that is represented by vast tracts of absolutely unproductive lands. They are not admissible under capitalist principles. So—either you produce or you sell—and that is one of the ideas that can and should be implemented; there could be heavy taxes to make that person do something with his property. Either sell it or the state itself will expropriate it. The state should promote an agrarian reform, or else divide the land, sell it, do whatever it sees fit, but it should

never establish those assets in a form that has absolutely no effect on the productive sector of the economy, without imposing some penalty on them.

[Clovis Rossi] A little while ago you said that the country is virtually without a government. However, 14 of the 23 congressmen from your party voted in favor of a 5-year term of office for the present administration. Whom should the voters believe? The candidate of the party that criticizes the administration, or the congressmen who voted in favor of it?
[Collor] The voter has to believe in what the candidate says, and especially in his proposals. It seems to me that when those congressmen who are members of my party today voted in favor of the 5-year term for the president of the Republic, they weren't alone. I have something I'd like to stress here—none of them is a thief, none of them is corrupt. They are honorable men and I am very satisfied to have them beside me on this journey.

[Herbert de Souza] I was pleased to hear what you said about the Constitution; after all, I was once exiled.
[Collor] It is very satisfying to me, too.

[Herbert de Souza] I was exiled precisely because the military failed to respect the Constitution. The Amazonia issue involves the military to a very great extent. They have military projects like Calha Norte, and you said that you were going to abolish the SNI [National Service for Intelligence]...
[Collor] That's true, I'm going to abolish it.

[Herbert de Souza] So I would like to know, regarding your environmental policy for Amazonia, what will be the role of the military? Will they be in the barracks, or in politics?
[Collor] The military should fulfill the role the Constitution assigned for them, in the barracks. I believe that the environmental issue should be something to be dealt with by the administration and by organized civilian society in this country. We need to establish, somehow, an environmental policy in Brazil that would stop the devastation now going on, not only in Amazonia, but in the jungle along our Atlantic coast, in Jureia, in Mato Grosso's Pantanal. I've been there, I've seen the absurdities that are being committed, how our rivers are being polluted, how the industries dump waste that is destroying our fauna, that destroys our flora and our animal life. It's essential that we make this commitment because the commitment to the environment is not only a commitment to the ecological issue, it's a commitment to life itself. Now, I believe that what we need to do is not to allow, ever, the industrialized countries to put this country on trial, and force us to defend ourselves against their charges. That is unacceptable. They want to make people believe that Brazil is the one responsible for the acid rain in Canada, for the acid rain in the forests of Scandinavia. They want to make the world believe that Brazil is responsible for the hole in the ozone layer, which is caused by the use of fluorocarbons; that it's responsible for the greenhouse effect, caused by emissions of carbon monoxide, when none of that is true. And that's why I adopted Professor Benchimol's proposal of an international tax on pollution. And that unmasks the industrialized countries, because that tax would be instituted by an entity that has the prestige of the United Nations, and every country would be taxed so many dollars per ton of gasses or pollutants in our atmosphere, or in our rivers, or in our oceans. And the money raised that way would be used to set up a huge fund, and the resources of that fund would be allocated to projects to restore or even preserve the jungles, our ecosystem, in countries that are clearly committed to our ecological intentions.

[Carlos Monfort] I'm going to combine Clovis Rossi's and Betinho's questions. This means my question is about politics and the environment. And it's precisely on those foundations that you have been receiving support. The governor of Amazonas, Amazonino Mendes, supports you. But he has just handed out 5,000 chain saws...
[Collor] He has already stopped doing that. Governor Amazonino Mendes, long before he honored me with his support—which I was very pleased to accept—is a man of integrity, a determined man. He received that request from the caboclos in Amazonas who were having trouble clearing their own land for farming. But as soon as he found out that the equipment was being diverted, he immediately cancelled that plan and stopped the program, and I want to congratulate him for that.

[Clovis Rossi] Governor, you have so far avoided all the debates staged by the television stations. Yesterday, Governor Brizola proposed that Globo TV sponsor a debate,and apparently they agreed to the idea. I'd like to know whether you will, finally, participate in a debate—the one Globo plans to hold.
[Collor] This business of the debates is like a situation when, for example, some soccer team—any team at all, maybe Itagiba Soccer Club from Rio Grande do Sul—wants to play Gremio or International in the final round of the championship. That would be impossible. Each one has to prove something, has to grow to full stature, has to demonstrate ability, i.e., have been accepted by the people—in order to hope to do something like that. And that's exactly why I am waiting for the candidates to mature and grow, so that they can make their appearance.

[Lilian Witte Fibbe] I was only going to ask him, if he gets into the first round...
[Collor] If Itagiba, or any other ball club like that, which demonstrates ability and authority...

[Carlos Monfort] It doesn't have to be from the South?

[Joelmir Betting] But why does it have to be Itagiba?
[Collor] No. I don't know. I'm just giving you a hypothesis.

[Carlos Monfort] Do you think you're better than the others?
[Collor] No. I don't think I'm better than the others. I think that what we are seeing now is a clear and unequivocal manifestation of opinion by Brazilian society concerning a certain platform, concerning a candidate who has a certain plan for governing, and I feel very gratified

and very appreciative to everyone in Brazil for being found deserving of their expression of confidence.

[Joelmir Betting] In short, you won't participate in the debate.
[Collor] It's all a matter of whether the debate gets set up. We'll talk about it, establish the terms.

[Joelmir Betting] So, let's go back to your platform. In terms of housing, Brazilians are in the worst position in the world. If they run, the mortgage payments catch them; if they stand still, the rent payments eat them up. How do you plan to pick up the pieces of the housing program, especially for the 10 million families who are stuck in shantytowns, tenements, servants' quarters, and shacks?
[Collor] That's right, Brazil is short about 10-12 million dwellings. Well, even if we assume at the outset that this deficit is not going to increase in the next 5 years, the future administration would still have to build two million houses every year just to meet today's needs. We all know that's absolutely impossible, especially because the Housing Finance System is bankrupt. The CEF [Federal Savings Bank]—this body, this institution that merits everyone's respect—has suffered greatly because of the improper use made of it by officers, by ministers associated with that institution who caused the bank to lose much of its credibility in terms of the funding it needed in order to invest in the housing program. What happened was really ridiculous. When this country did have a housing policy, it financed housing only for those who earned more than five minimum monthly wages, although 70 percent of the assessments used to build up the Guarantee Fund were collected from those who earned from one to five minimum wages—precisely the people who were left out of the home loan system. And so we must first restore the Federal Saving Bank to its former status as a distinguished institution, one that's on the cutting edge in any housing program. Once that has been done, we will be able to set the conditions for financing home ownership and building housing for the lowest-income sectors of our population, the ones who are living over water in houses on stilts, in tenements, under the highway overpasses, and who need and deserve the attention and support of the government.

[Alexandre Garcia] Governor, if you're elected you are going to have to swear to uphold the Constitution. However, it gives the president only a few powers, and gives the legislature a lot of powers. You have campaigned on a sort of antipolitical theme, as a critic of all the traditional practices, opposing the vices of politics. So it is to be expected that although there may be some physiological solidarity, there could also be an attempt to get back at you for what you have been preaching during the campaign. Since the PRN has only a small delegation in the legislature, what would you plan to do to get through the Congress all the things you promised here in your platform?
[Collor] I'd like to say that my commitment, I believe that Brazilian society's commitment, is to our Constitution. It was a great victory that all of us achieved. My personal commitment is to the Constitution, my commitment is to democracy, my commitment is to the citizenry. And I have nothing but praise for that Constitution, because it was what enabled me, for example, to win the battle against the maharajahs, those superbureaucrats who flaunted their influence and their arrogance up there in Alagoas, raking in exorbitant salaries while the worker earned, as he still does, wages that are minuscule. It was this Constitution that has been helping me, and it is this Constitution that will help me in the future when I become president, to—with the support of the attorney general of the Republic—put the cheaters and the thieves in jail, which is where they should have been long ago. We'll show the Brazilian people that it's not only chicken thieves who go to jail in Brazil but also the white-collar criminals who hold up the national treasury every day in broad daylight and—more than that—who steal our hope. Yet they haven't been made to pay for it. So I'm sure that if elected president of Brazil by absolute majority of the Brazilian people, at no time will I encounter awkwardness in the relations between the executive and legislative branches. I say this especially because we've witnessed increasingly rapid progress in our national Congress toward political maturity. And, especially, because it's a certainty that if there isn't an understanding such as we've been talking about, if there is no meshing of hopes among the executive, legislative, and judiciary branches so that these hopes may become a reality, then we won't have any alternative but to slide back into backwardness and poverty, and remain there until God knows when. And that's why I am quite confident that the democratic institution which is our national Congress will assist me as president of Brazil so that we may approve the reforms that this country is going to need, and bring about the sweeping social changes, the social prosperity—in short, what all of us are working for these days.

Brizola: 'Those Who Have More Will Sacrifice More'

Sao Paulo—A promise to set up an audit to determine the exact amount of the external debt and to hold those responsible for the country's indebtedness accountable was the most emphatic commitment made by PDT [Democratic Labor Party] candidate for president of Brazil Leonel Brizola during his appearance on Globo TV's program "The Electronic Podium." Following is the text of the interview:

[Alexandre Garcia] What will you do about inflation, if you're elected?
[Brizola] People of Brazil, good evening. This really is the most urgent question, this country's highest priority. When we say that it has become indispensable to recover a minimum of stability if this country is to be governable, we mean that inflation must be at least reduced to reasonable levels. All this begins with an accurate understanding of what inflation is. Because I come from 'way back. I still remember when this country had no inflation. Since then, 40 years ago, inflation has always been on the rise, and all sorts of explanations have been given for it. To me, inflation is a sort of by-product of that

economic policy of 40 or so years ago. It's like a fever in a sick person. When people try to deal with inflation, they attack the symptoms, not the disease. The basic cause, the essential cause of inflation in my opinion—which is not shared by the Brazilian ruling class—is that inflation comes, basically, from international losses. And what are those international losses? They're what our country loses to people in other countries. Those economies that have more wealth coming in than going out don't have inflation. Those countries whose economies have more wealth going out than coming in are submerged in inflation in proportion to their international losses. That's what happens in our country. The government deficit and all the flaws in life in Brazil are causes, they are complicating factors, they are consequences that become causes. It's like someone who is sick, who has an infection and gets weaker and weaker and finally catches pneumonia. So then what happens? He's more uncomfortable, his fever goes higher. His condition gets worse, but the real cause of his situation is that infection that is eating away at his body. An administration that is coherent will have to face all this, as a sort of preliminary test of its ability to govern. First it has to set an example. The public sector must be trimmed down. The private activities in this country must be trimmed down. In fact, when you really talk about corruption, you're not just talking about government corruption. Whenever some civil servant is involved in corruption, there's a crooked businessman at his side. The cutback must take place in the public and private sectors at the same time. This country needs to ask itself some hard questions, because eliminating and controlling inflation is only a means of starting to get things back on track. That's the question. Inflation is like a fever. We have to reduce the fever. We have to monitor this organism, but first we have to know exactly what it has wrong with it. Brazil, during these 40 years, has been dealing with superficial aspects, just as was the case with the Cruzado Plan. When we questioned President Sarney about that decision only 6 days afterward, it was because we had looked over that list of measures and found that not a single one of them was aimed at the causes of the real inflation.

[Joelmir Betting] If on inauguration day you find yourself facing an inflation rate of 30 or 40 percent per month, what emergency program would you adopt, without necessarily combating the causes?

[Brizola] Of course that's just one front. We're not going to be able to hold down inflation by decree. We'll have to take a set of steps, different measures, and as the days go by, we'll begin feeling the results. I'm looking at Argentina, for example; you can say that it mirrors what is going to happen here. No one can say whether what the Menem administration is doing makes sense or not, because it's a set of measures that has a sort of common denominator, whether under a conservative administration, a liberal administration, a progressive one, or a socialist one. These are control measures that serve to apply the brakes to this speeding truck that's racing out of control. For example, we could talk about all this government spending that needs to be controlled, and often prohibited. Personnel, for example. No one else will be hired. Close the door! All kinds of waste, from too many copier machines to the largest government outlays—whether they are part of its direct expenses or of what the government also spends indirectly, or on monopolies. Immediate measures to protect the national economy...

[Carlos Monfort] Just a freeze?

[Brizola] No. In circumstances like these, the state needs to administer, needs emergency measures until it can get this truck up onto the lift and see what is happening to its brakes, what happened to that engine...It's an emergency situation. A responsible government must deal with this soaring inflation, this lack of control, by using emergency measures. Certainly that will result in widespread sacrifices, which will have to be distributed proportionately. Not along the lines advocated by the IMF, nor the vision that was behind the "packages" that traditionally were handed down one after another. No! We're going to distribute things proportionately. Those who have more and those who can do more must make greater sacrifices, because the sacrifices are going to get smaller and smaller until we come to those contingents in our population who have nothing to give—who need to receive in order to survive as human beings. I'll give you an example: In general, major sources of capital, the most important Brazilian and foreign businessmen, are spared. Oh no, not those. Those people represent investment. They're a source of employment, you can't touch those people. On the contrary. A coherent government is going to assign them the greatest sacrifices, especially given conditions in Brazil today. For 40 years those people have been accumulating assets. Now they're the ones that will have to bear the largest share of sacrifice when it comes time to settle the chaotic accounts in this country.

[Joelmir Betting] What will be that share of the sacrifice those businessmen will have to bear?

[Brizola] Whatever is necessary because, really, it's very hard for a candidate to come here and say: "Well, so much percent here, so much percent there, I'm going take something from here and put it there..." That government needs an audit, Joelmir. It's like a bankrupt company. So I'm going to look for a good administrator to put that firm in order. What does that man do? That official has to go over there and audit that government. Not just audit the 20-year [military] regime, but also this appendix—the Sarney administration, which this country should never have had.

[Carlos Monfort] You said in a speech to the Rio Commercial Association that you are going to restrict the remittance of profits. Is that the way you plan to hold onto foreign capital?

[Brizola] That's another thing. I believe that high executive from the multinational out there should give up his car for the sake of the general sacrifice. Why not? Why not even take something out of his pocket and give it away? We need to get the accounts of this country back into normal condition. For example, from the very first day those

overprotected businessmen are going to be beside themselves. Let those people wait. It's your turn, folks.

[Carlos Monfort] How are you going to attract foreign capital to Brazil?

[Brizola] There's no way we can adopt that vision. This vision, which I would say is almost perverse to say-...."Well, you don't touch big capital when it's time to sacrifice because it's employment, an investment." And so we sit around trying to work out a formula that will even make the rich richer, with the intent of normalizing life in this country. Which means, increasing the concentration of income, making the poor poorer. That's inconsistency. When it's time to sacrifice, you have to understand. Do you think that the foreign capital that lives here with us, increasing its wealth, the size of its companies, isn't going to understand that it has to contribute to the sacrifices? Or is sacrifice only for us "tupiniquins?" When we start curbing inflation, we're going to try to humanize. The executives and the shareholders in the multinationals aren't going to stop eating, or living in nice homes, or stop sending their children to private schools. But millions of Brazilian families, yes. We have to distribute those sacrifices, humanize life in this country. That's when inflation will go down. This is not, for example, what has been done on many occasions, when we followed the IMF rules. That wasn't austerity. That was taking champagne away from the rich and bread away from the poor.

[Lilian Witte Fibbe] Would you apply an emergency plan such as President Menem of Argentina did?

[Brizola] No. I only invoked the Argentine plan because I think that at this stage we should be able to understand how to prepare the patient. He's all ready out there, he has no more pain, he's resting comfortably. Do we operate or not? I think we should wait. President Menem is holding back that truck. What I want to say is this: So far they've been administering shock treatments, handing down packages, and then they want the patient, after those doses of painkillers, to recover and walk out.

[Lilian Witte Fibbe] You said that the sacrifices under these emergency plans for fighting inflation would be comprehensive. What part of the sacrifice would come from wages and salaries?

[Brizola] No sacrifice at all. You can't conceive of sacrifices that take food out of people's stomachs. You can't do that. Sacrifice has its limits. There is only one reason to make the Brazilian happy and to guarantee, at the very least, the survival of its people. What's happening at the Brazilian dinner tables is a disgrace as big as slavery was at the end of the monarchy. That's why I say that these elections are very important. I'm happy to be having this conversation, especially on Globo TV. Because we're at a crossroads. This administration is not the continuation of a normal period of history, no. It's a discontinuity. Were it otherwise, the only alternative would be a crushing dictatorship. This country is on the brink of a crisis, we're on the eve of hyperinflation, maybe even already there...

[Herbert de Souza] We are sending billions of dollars out of Brazil every year and I'm convinced that this country has lost the notion of sovereignty, that it's no longer a nation. How are you going to treat the foreign debt during that first month?

[Brizola] The issue of the foreign debt is nothing more than a big conspiracy. If it were up to me, everyone responsible for the indebtedness would be put on trial. They handled Brazil like they handle those bulls who are absolutely uncontrollable: They put a ring through our noses and pulled. That's what they did to our country. It was irresponsibility on both sides. A disgraceful plot--that indebtedness; the people are paying in blood. So, I say the following: This is one of the international losses. The country has been the victim of a major international swindle. Let's speak frankly, because that's what the situation requires. Brazil, after the war, became more and more of a kind of symbol of exploitation, its economy sucked dry. The ruling classes went for the scheme. They let themselves become dazzled by certain international recipes and joined in. The debt is one of the big outflows that is causing those international losses. A coherent administration would have to declare: "Gentlemen, the situation is very serious in our country. You know it, and if you don't, then come and see the conditions in which a major portion of our people are living." How it happened that a proud country came to be subjected to the kind of inflation we have. It's very serious. Please understand me, but we're going to suspend everything, like anyone would do who owes the bank money but has nothing more to give his wife and children at home to eat. And we don't have it. We're going to suspend everything, and we'll need a grace period, because the basis for that debt was to develop the Brazilian economy, but it happens that the economy is going backward, it's in crisis. It happens that we need, first of all, to restore the Brazilian economy. Understand that all this is very legitimate. We're going to stop everything, we need a grace period of, at least 3, maybe 4 years...who knows, maybe more. We're not even raising the question of the illegitimacy of the debt because I, who come from way back, remember when Brazil came out of the war owing nothing. I remember when we went to war—when Roosevelt, Churchill, everyone said, "Let's fight together against oppression, against tyranny, against the outlaws, to build a better world." Where is that better world? We came to understand that they were pressuring our country to get rid of the arbitrary regime, the President Vargas regime. He was deposed and we even understood why. We enrolled in the democracy for which we were fighting against Nazism and Fascism. How can we accept the idea that shortly thereafter they were planting Hitlers and Mussolinis all over our nations here? They set up these shameful dictatorships and then made all those deals there, without involving our people—deals with those dictatorships, with that de facto government. Where is the legitimacy? That wasn't why we went to war, why we spilled our blood. Our countrymen died in Italy. They went to the bottom of the sea while opposing exactly this sort of thing. How could they do this to us? Where are

the ethics, the morality of all that, the legitimacy? Where is our audience, now that our country needs to have the voice of a legitimate president be heard out there. Bankers are cold—they are allowed to be cold. You know what happens? Anywhere in the world, a bank manager or director who repeatedly loans to people who they know won't pay end up in jail, put there by the stockholders who charged them with irresponsibility.

[Augusto Nunes] You talked with the president of Bolivia, Paz Zamora. Of the three candidates in the recent elections in Bolivia, he was the only one who didn't defend the economic measures adopted by the Paz Estenssoro administration, which had succeeded in drastically reducing Bolivian inflation. Why did you, instead of listening to someone who made inflation go down, decide to talk to someone who is going to take steps that, presumably, will make the inflation rate in Bolivia go up?

[Brizola] I did indeed contact the current president of Bolivia, a party leader who's a friend of ours, precisely because one of the candidates made a reference to Bolivia, saying that the current administration was a continuation of Paz Estensorro's policies. Finally, I decided I had to clear up the matter. He's my personal friend, an excellent public figure. He told me that it was in fact a very tough policy, recessionary, a policy that entailed a lot of sacrifice for the common man. Public assistance services to the population ceased to exist. The majority of the Bolivian people are paying very high taxes, and so he questioned that policy in his campaign. He was elected because the other conservative group also had some reservations and so decided to support him. He plans to humanize that policy, because Bolivia can't exist only with its accounts in order. It needs the Bolivians too. We are sacrificing our people too much, and we need, basically, to humanize that policy. I wanted to talk to him, to bring his explanations here to Brazil because the situation lent itself to a certain amount of demagoguery. So there went the IMF prescription. I believe that for an emergency, of course, sacrifice is inevitable, but I really don't believe that there is any reason for the measure to start sacrificing human beings.

[Augusto Nunes] You have been described by some of your opponents, including some military men, as a wolf in sheep's clothing. They believe that the Leonel Brizola of 1989 isn't very different from the Leonel of 1964 or 1961, who advocated the so-called basic reforms. In your opinion, exactly how have you changed in these 25 years? What basic reforms would you advocate, and which ones have you stopped supporting?

[Brizola] Really, I'm the last person you should ask that question. I am very reluctant to try to say how I changed and how I haven't changed. I think I've changed in every way, we change with the times. What's important is to change for the better. There are people who change for the worse, who acquire certain habits—certain practices that are deceptive in appearance but which usually, if carefully examined, prove to be changes for the worse. Frankly, I'm the same man as I was before. What have I learned over the years, from reflection, from association with so many people? I have learned, perhaps, to express myself a little better, I have succeeded in broadening my thinking, accumulated more experience. I think, frankly, that I'm at the peak of my mental abilities. That Leonel Brizola of 1964, a harder man who expressed himself in more rigid terms, that man is still here inside. Inside the Leonel Brizola who's 67 years old is a young Leonel Brizola, because today I'm much more dissatisfied with the situation in our country. Today I am much tougher in questioning the Brazilian elites and all those masses of people who serve those elites. I challenge them because today I'm much more convinced of the incompetence of the traditional ruling class that got us into this crisis and still clings stubbornly to thousands of sophistications and outdated schemes to try to stay in power. In the last analysis, I'm still the same Leonel Brizola, but I hope that I have improved considerably. I feel more generous, more human. I think, for example—and I will even say so, that the petrodollar is ours. But even the Brazilian Right is ours, too. I don't want to exclude anyone, I don't want to do to anyone what they did to me. I think President Figueiredo was quite right when he said once: "A Brazilian's place is in Brazil." This is where all those whom we consider to be incompetent in the positions they've been holding, all those whom we consider wrong—who have acted maliciously toward the Brazilian people—will have to learn the error of their ways. I believe that we must ask ourselves some tough questions. In my present capacity, as a candidate, I feel very secure, well-prepared, and I think it is unlikely that there is in this country a political movement, a group of public figures as well prepared as we are and—why not say so, without any pretensions—a leadership with so much experience, with such a broad view of things, with so many contacts throughout the world, with so much ability to pull our country out of the mudhole it finds itself in. It's not likely that there's another such group.

[Carlos Monfort] You have governed and lived in Rio de Janeiro, one of the most violent cities in this country. How would you attack that problem?

[Brizola] This is a problem that is becoming typical of our country, as elsewhere. As the country enters a period of misery, of deterioration of moral values, violence becomes the inseparable companion of criminality, of those who break the law. A coherent administration will have to be able to develop a lot of coordination in order to deal with that problem by approaching it along two routes, one of which is to directly attempt to repress violence, to prevent it, to provide society with security, to seek competent people, in short, by involving the institutions of society and seeking to launch a comprehensive effort, especially trying to get the cooperation of the media, in order to reduce the incidence of crime from the standpoint of its causes. In my opinion, the causes lie basically in the deterioration, in the neglect, of the lower grades in our educational system in this country. We have a specific proposal on this point. We believe that what is most urgent, most immediately needed, most vital, and of highest priority for this country is an educational crusade.

[Lilian Witte Fibbe] The issue of corruption in government isn't something that has its roots in the low level of educational achievement. It's just as serious in the Third World as in the countries of the First World. And, at the same time, corruption in government was indicated, by an IBOPE [Brazilian Public Opinion and Statistics Institute] survey as the number-four concern of the voters at this time. How would you deal, immediately and objectively, with corruption?

[Brizola] I share your conviction. If I had the good fortune to be surveyed by IBOPE—although I have never been able to find anyone who's been polled by them—I would say that I am also worried about corruption. That's all you can expect in a country that has gotten so far out of hand.

Look at the Sarney administration, the absence of authority, the lack of control—they come up with new excuses every day. During the dictatorship, when there was no fresh air, everything was suffocated and we took on all these practices. In fact, we should immediately redefine what is corruption and what isn't. Because over those years we incorporated habits that, in my view, are nothing but corruption, such as what the president did to get the Congress to give him another year in office—he handed out radio stations and TV channels. And that's not corruption?

[Lilian Witte Fibbe] But such a redefinition takes awhile....

[Brizola] No, it doesn't take long. All you need is for a responsible government to take up the matter and, even before any redefinition, try to fix things up. All that has to happen before any cleanup of Brazilian life can begin. The restoration of dignity in public service begins, for example, with the president himself. It has to come from the top. You have to investigate and punish. Now the problem is not only in the government. Where there's a corrupt person, you also find the one who led him astray. Whenever there's a corrupt civil servant, you'll find a corrupting businessman. So there are problems in both camps. That has already become part of Brazilian life and we need a cleanup in the broadest sense, but it can't be done from one day to the next, simply by issuing a decree. The president has to throw the weight of his office behind the effort. For example, the fraud perpetrated against the Rio stock exchange. How is it that the police, who used be able to locate everyone who was conspiring against the regime, now can't find Elminho and Nahas?

[Herbert de Souza] You mentioned the police and I started to get scared....

[Brizola] Excuse me, I just wanted to add that, really, the kind of corruption we have here in Brazil exists only when the government isn't doing its job. We're coming out of 20 years of arbitrary rule by a regime that was never accountable, and this administration is an abnormal government. Frankly, we are still under the influence of the tension of the arbitrary regime. Starting with the president himself, a weak official who hasn't won respect in this whole situation. It's inadmissible, starting with this process called "privatization." What is that, if not corruption? The man who's in charge of transferring public assets to private interests is a technocrat who used to be the treasurer in Moreira Franco's campaign. That could never happen in the United States. The treasurer of a political campaign could never become a bank president. In second place, he could never be in charge of such a complex process. Right now the Sarney administration is in its final months, and here they are—they've gathered up all this enormous volume of assets and are even trying to sell Vale do Rio Doce? They want to sell off Usiminas—an establishment that's showing a profit—just as the administration is about to turn off the lights. What is this if not corruption? Frankly, I come from way back. How could a respected government, a government that valued its image, proceed this way? The most it should do would be to get everything ready, then leave all the reports written up and say: "Well, here it all is, let the new president who is elected by the people make the decision."

[Herbert de Souza] Let's move on to agrarian reform. We have been fighting for agrarian reform for all these years and we're still fighting for it. But I have noted that you often use a word called "colonization." Can you explain the difference between this other field, that old word of ours, that old banner of ours known as agrarian reform, and the Brazilian people's movement?

[Brizola] Well, first, the maturing of this old gray head. Leonel Brizola has gone gray. Second, the South was colonized. So what happened is this: We've assimilated that word down south. Third, because I reached the conclusion that we had to take the ideological content out of the issue of transforming the countryside and democratizing property because there were many aspects at stake there. First, we have to transform the public realm—all those causes we are familiar with and have brought to people's attention, but we have to be careful about production sometimes, we can't destroy the crops we already have because if there's hunger, there'll never be agrarian reform. Second, in a country as big as Brazil we need to incorporate the right to property into our list of human rights. So then we take on the defense of the right to property, thereby immediately eliminating any sophisticated kind of agrarian reform that would transform the countryside along the lines of the kibbutz. We need to protect the right to property. We're not like candidate Caiado. It's just that we think property is such a wonderful thing that we want it for everyone. We think it's part of the human rights of a Brazilian citizen to have access to property—the kind of real estate we could call a family-sized property to work, or to enjoy one's retirement in an city, small ones, medium-sized ones, big ones, a family farm for production. We are thinking in such grandiose terms that by the turn of the century we would have to make about 20 million new properties available to the Brazilian people. So we need to democratize property. Getting underway with a program to transform the countryside is indispensable. We are trying to facilitate new approaches. We believe that a coherent administration has to become fully involved in this issue. First, to end the violence in the rural areas. All that violence against those who are making demands, who

are battling to save their children—these people need the state's protection against the violence of the powerful. In this regard the Brazilian people know they can count on me. Once in office, I'm going to confront the violence in the countryside with determination. In the second place, we're going to encourage social activism and recognize the rights of the movements who are demanding change. Now, we don't believe there should be invasions of vacant land; there should be no violence, and those movements, those encampments, have to be held on public lands under the protection and guarantee of the state.

[Augusto Nunes] Governor, I don't think that the answer to this question needs any close examination, since even the rocks know that the federal bureaucracy contains a lot of fat, that it has too many people on the payroll. Would you plan to lay off civil servants, or are you even going to keep the almost 150,000 appointed during the Sarney administration?

[Brizola] If the Brazilian people put me up there tomorrow—and I would like to state that I'm not pursuing any personal goals at this point in my life—when I get there I'm only going to fire the ghosts, the ones who want to earn without working, or whose status is irregular. I might even ban [dismissals] until we introduce legislation to that effect. We're also going to try, in the government, to put a stop to all those monopolistic abuses that are practically entrenched in the government, in improper contracts. Now in general, frankly, I don't think that I would dismiss people. I think that would be a cowardly act of a rookie administrator, a mediocre one, to say, "I'm going to take over and I'm going to fire people." He's going to fire the poor, the ones who can't defend themselves. He doesn't remember that behind each one of them is a family, a child. That's what an inexperienced person would do. Instead of cutting what often needs to be cut, they come down hard on the little people. And I say this for the following reason: My priority program as president will be education. We are going to plant schools, a modern school system in this country, and we're going to need a lot of people. Where there are surplus civil servants we'll regroup, we'll make studies, we'll train, and we'll reallocate. Our project is going to be so big that I'm certain we can absorb the excess. The civil service needs to have its dignity restored, it's being cast in the role of the villain right now. I see this candidate who's going around presenting himself as a hunter of maharajahs. Frankly, I believe that he's one maharajah who needs to be stripped of his political rights, because the way he's been insulting the president of this country, I don't think he's eligible to operate a radio and television station. How can anyone who calls the president of Brazil an s.o.b. prepare programs for our children and grandchildren when he uses such language? So I say: We need to restore the image of the career civil service, we need to bring government service back to what it once was.

[Cochrane] Governor, you have made statements criticizing the current financial model, and even mentioning some kind of intervention. I ask you: Wouldn't such intervention constitute nationalization of the financial system?

[Brizola] Well, if you want to control inflation, it's essential to control the financial system and that means that some kind of intervention is needed. And I'm not talking about a state takeover. The only institution that I absolutely will nationalize is the Central Bank, which has virtually been at the service of the private banks, the major banks. So that one has to be taken over, it has to become a government agency. Well, we're going to rehabilitate the regional banks, we're going to try to see that there's some degree of control because that's where the biggest losses occur and where you find this real snake pit which is this financial system that diverts all the resources from productive activities into speculation. I believe that we're going to find cooperation; I hope there will be that cooperation. And I'm not talking about nationalizing—we don't want to do anything drastic against anyone. I think that it was a serious mistake to abolish the regional banks. In the United States there are 18 regional banks, there's no national bank. I believe that national banks should exist, but those big mushrooms, frankly, don't meet the needs of a country like Brazil. We have to restore the regional and local banks in order to be able to hold onto the savings accounts. Mr Delfim Netto was the one that did this, because by getting five of them together right away, he was able to take over all the money in the banks, he'd already nationalized their funds. I think that the Brazilian banking system is already somewhat nationalized, because to nationalize the employees, the offices, and finally the buildings, doesn't mean nationalization. Delfim nationalized the money, he got five of them together and took the money, and when he had to meet with 500 owners of small banks he was booed, and he didn't take the money from the regions, from the communities. However, they ended up under the control of the computers in the major cities through the big banks. I believe that intervention is a necessity.

[Alexandre Garcia] I'd like to come back for one more question about the chairman of the Federation of Banks.

[Brizola] Of course.

[Cochrane] Among your advisors from your party there are people with varying views. Very recently I saw something in the press about a difference of opinion in an area that affects us directly, the economic sector. We learned that Deputy Cesar Maia has a plan that's almost a liberal shock treatment if you compare it with the proposal by Prof Mangabeira Unger, which is more interventionist. I ask you, if elected, which direction would you lean?

[Brizola] It's impossible to say ahead of time. Actually, Cesar Maia—as everyone knows—was my finance secretary when I was governor of Rio de Janeiro. Cesar Maia was an excellent collaborator, a colleague, and I get along very well with him. He's one of the top people in our party, just as Prof Mangabeira Unger is an important theoretician. Now we are working on drafting plans,

trying to focus on concrete questions. We are about to hold a national forum in Belo Horizonte on the 22d, to finish drafting our program. And we hope that those differences of opinion will converge there into positions that will become our party positions. Personally, I believe that a president could truly find many useful elements in both positions. For example, when Prof Mangabeira argues that the government ought to manufacture certain products he's completely right. Look at the issue of medicines. How can the poor Brazilian buy medicines at dollar prices? How can our people who don't even have a cruzado in their hands pay for medicines in dollars? When it starts dealing with the health problem, the government is going to have to figure out a way arounrd this problem. Nor can we confuse the positions taken by our colleague Cesar Maia because he's really advocating a liberalizing line of action that we don't disagree with because what we want for the Brazilian economy, and what we advocate for it, is a market economy. But a people's market economy, a social market economy, and not an economy where the conglomerates control everything, set the prices, decide what the country's economy should be like and reserve the privilege of piling up assets while the general public gets poorer. What we want is to develop something we call egalitarianism—certain levels of egalitarianism—because only this way can we really resume development, which is linked to a certain degree of egalitarianism. I believe it is very good for a party like ours to have this competition among the views of clear-thinking people, people who study, who are competent and capable. The socialist parties, the social democrats, and the labor parties in Europe with which we are associated—when we hear these condemnations of socialism it always reminds us of the kind of socialism of which we are a part and which the most advanced governments practice, the most modern proposals for governing. Brizola the caudillo, that Brizola who is so disdained by the elites here in Brazil was welcomed with open arms there. Imagine—they honored me nominating me for vice president of the Socialist International. So they saw something in Leonel Brizola. And so I say: when they accuse us of being backward—and what they mean by modern I don't know—we ask ourselves, what is modern here in Brazil? We are also looking for a comprehensive liberalizing program, because we cannot conceive of the social aspect without the element of freedom. Our ties around the world are like that constellation of nations that make up the Socialist International, that are part of European social democracy. Today I even heard someone I think highly of, Dom Paulo, refer to it. He said "I have noticed, Brizola, that you really have some standing in international relations and that means something for our country, because our country won't be isolated if your party is in power." Those are our connections. I really believe that under our leadership, our approaches will be the same as are now being followed in Europe. We wouldn't set off on different paths.

[Joelmir Betting] Western Europe?

[Brizola] Of course, that's where our roots are. You've never seen the Brazilian labor movement defend the Soviet positions or the views of Eastern Europe or China. Actually we even understand those peoples; in a spirit of generosity we understand their aims. Well, our ties are with that constellation of nations and with those statesmen: Mitterrand, Mario Soares, Felipe Gonzalez, Craxi, and with that extraordinary man, so full of charisma that his movement hasn't yet found anyone to take his place—Willy Brandt. In short, that's where we would place ourselves.

[Alexandre Garcia] Governor, if you are elected president, how would you manage to get your proposals passed by Congress?
[Brizola] That really is a challenge. But an even greater challenge, Alexandre, is the one the Brazilian people are familiar with—that's getting elected, because I am, really, quite upset. I really feel indignant at times about certain situations that are developing in our country. There seem to be two different presidential campaigns going on. One is the formal, legal race in which all of us candidates are involved, out there with about 30 percent of the communication with the Brazilian people. On the other side there's a candidate who doesn't come to the debates, and who is being supported by the television network that has 70 percent of the audience—Globo TV. And then there's the problem with the polls, which is another complicated matter. So it's going to be difficult to get elected. It's an obstacle race. What hard times, what difficulties...but we're moving ahead, trusting the Brazilian people to think clearly. I believe for example—well look, it's 10 years ago today that I came back from exile. The very day.

[Lilian Witte Fibbe] Is this the anniversary?
[Brizola] Ten years since I came back.

[Lilian Witte Fibbe] 6 September?
[Brizola] Is today the 6th or the 7th?

[Lilian Witte Fibbe] Well, it's almost midnight—no, it's still the 6th.
[Brizola] But it's almost the 7th, right?

[Joelmir Betting] 11:40 pm.
[Brizola] Well, I arrived on the 6th. I say, you know, I have even had the illusion—who knows but Alexandre, those journalists, those high-level professionals, might even surprise me on this 10th anniversary and bring Globo's candidate over here so we can hold a debate with him! And it's obvious that he's being supported. I showed you these figures here...he appeared for 138 minutes on Globo TV during the month of July, and Leonel Brizola only got 12. Just 12. Which means that Mr Roberto Marinho himself is backing that candidate. So how nice it would be if they brought that candidate to debate with us. If they brought him, forced him to come, by saying: "See here, if you don't take part in the debate, don't show up here anymore. You'll be just like Brizola."

Well, that would be beautiful. And I say this with a pure heart, I don't want—I'm not here to indulge in attacks,

not at all. I am just raising a question because otherwise the Brazilian people would think that we're all cynics here, because they know there's a question hanging in the air. There's a Leonel Brizola issue. And no better way to cleanse our souls than to talk about it. To open up the subject.

I hope that all this will change. Frankly, I leave here with some hope. This get-together, this dialogue has been so satisfactory that it may end up convincing Mr Roberto Marinho. Let's hold a debate. Bring in all the candidates. Let's have a debate. Let's put our ideas up against each other. The country really needs it. What I have to say is—going back to your question, Alexandre—that if I get there I'll work shoulder to shoulder with the Congress. I believe that this president who is elected by absolute majority will come into office invested with so much democratic authority that, frankly...I, who understand the Brazilian tradition, frankly...even more so in the situation we find ourselves in now, when politicians are at the bottom of the totem pole, there will be no way anyone can create problems for a new president, if he is well-meaning, respected, and does his job with a minimum of effectiveness....

I believe that this Congress is on its last legs. If it creates any problem, the matter will be carried over to the elections 6 months hence, because he takes office on the 15th. He has March, April, May, June, July, August, September, October, November...after 8 months we'll have elections for a new Congress and that would solve everything.

But I don't think that will happen. Knowing Brazilian politicians as I do, knowing their survival instinct, frankly, I think that they'll....See, there'll be a problem until that queue gets set up because everyone is going to want to get in the door just like at the second show at the movies. Hardly will the doors have been opened, and everyone will swarm in.

I believe that this would be what the Brazilian people want. Who could cause problems? I believe that, not only as regards what the country needs to do, as an emergency—not only what the country needs to do to change course, like conquering the growth problemand even to reexamine certain provisions of the Constitution that have proved to be incongruent, impracticable, the new president is going to have to have the courage to propose the necessary changes.

Thank you very much and, to the Brazilian people, I particularly want to express my appreciation.

[Alexandre Garcia] Thank you very much, Governor Leonel Brizola. We would like to make it clear to our viewers that Globo TV does not have a candidate or a party; it's not even involved in this campaign for the Presidency of the Republic. Our cameras and our microphones are at the disposal of the candidates for a debate during this election campaign.
[Brizola] (hearty laughter)

[Alexandre Garcia] And, finally, to tell you, sir, that in August, you appeared 40 times during our newscasts...
[Brizola] No. But there's a clear statistic, isn't that right?

[Alexandre Garcia] ...which are seen by millions of people.
[Brizola] You see, that's an incontrovertible statistic, something like two plus two equals four.

[Alexandre Garcia] And today you even got 15 extra minutes from us, because the others only had 1 hour. Thank you very much.
[Brizola] I worked hard for it.

[Alexandre Garcia] Thank you very much for your presence, Governor.
[Brizola] I'm the one who has to thank you.

* Overnight Rate Rise Impacts on Internal Debt

90ET0003c Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Sep 89 p 10

[Article by Marisa Castellani]

[Text] Rio de Janeiro—The rate increase of more than 50 percent implemented suddenly last Friday meant an increase of 6.793 trillion new cruzados, or almost $2 billion ($1.963 billion) in the domestic debt in Treasury Notes (LFT's) on the market. In other words, in only 2 working days, the domestic debt in LFT's in the hands of the public increased by 3.58 percent. These figures were drafted by the technical advisers of the National Association of Open Market Institution Directors (ANDIMA), based on the fact that last Friday morning, that debt totaled 189.59 billion new cruzados. The nominal interest rates are the highest in history, and according to the signal the Central Bank (BC) gave the market yesterday, they will continue to remain high throughout October. The future market quotation for the National Treasury Bonus (BTN) was 40.38 percent yesterday for the coming month, and with the indication that positive real interest rates will be maintained throughout the month of October, the BC held an informal go-around (auction) yesterday, taking market funds for the period of the second to the fourth day at the overnight rate of 54 percent. This represents a positive real interest rate of 3.61 percent in October, if rates are maintained.

But despite the high interest rates, the gold market and the dollar on the parallel market continued to rise, while according to the latest indicators, consumption still shows no indication of slowing down. The government is paying a high price in order to maintain this interest level, and yet the Brazilian economy is not responding to the classic monetary policy formulas, according to which high interest rates encourage the speculative markets and slow consumption, thus contributing to slowing inflation.

What is the reason for this? According to former Minister of Finance and Planning Mario Henrique Simonsen, the error lies in the failure to set goals for monetary expansion. "Raising the overnight rate is not the only

way of pursuing monetary policy," he says. "All over the world, the central banks set a monetary expansion goal and leave establishment of the overnight rate to the market. Here the opposite occurs. The BC establishes the overnight rate, while the quantity of money will be what the market dictates. Thus there is no lasting inflation," he charges.

Economist Francisco de Assis, of the Brazilian Capital Market Institute (IBMEC), has another explanation. In his view, although the overnight rate points to a gross real gain of 40 percent per year, the dollar and gold markets are still proving attractive in the light of the overnight rates because of the proximity of the elections. As the scenario after the election is a complete unknown quantity, the high interest rates are not succeeding in covering the market completely. The total domestic debt is in the range of 408 billion new cruzados (something like $118 billion) and is causing a certain fear of bad debts.

* Centrist Tendency of Electorate Observed

90ET0003b Sao Paulo O ESTADO DE SAO PAULO in Portuguese 23 Sep 89 p 3

[Text] Despite the fact that it introduces nothing substantially new—nothing has been introduced, moreover, since the dizzying rise of Fernando Collor de Mello in April—the Gallup poll published by O ESTADO reflecting the effects of the free campaign schedule offered on television does at least provide confirmation of an old truth about elections in Brazil. The electorate is, as it always has been, in the main centrist. And there is a state, which could possibly be defined as prerational, which makes this obvious with surprising consistency, at least to those who think, and even say, that the people do not know how to vote.

At the beginning of the presidential campaign, the first in 29 years of political life, a possibility unprecedented in this Republic's hundred years of electoral history developed—that of a dispute limited to the two leftist candidates. The name which emerged as the leader in the polls was that of the former governor of Rio, Leonel Brizola, a candidate for the Presidency since the death throes of the 1946 democracy. Polishing his image as a man persecuted by the 1964 military regime and an exile among the European socialists, the engineer from Rio Grande do Sul promised a turnabout from the authoritarian regime, and he had in his favor the advantage of his legendary skill in the art of winning over voters through the use of the mass media. Right behind him came the workers' leader Luiz Inacio Lula da Silva, riding on the stardom of his party, the PT [Workers Party], thanks to the spectacular triumphs in the municipal elections last year.

Within this context, Lula began to speak in a more definitely leftist tone consistent with the line of his party, for the control of which radical revolutionary groups are vying. Meanwhile, Brizola played the angel, borrowing the wings of a late-blooming liberalism, certainly hoping to win over the conservative voters fearful now of Lula's "Red advance." However, the former governor of Alagoas, Fernando Collor de Mello, moving up from a level of practically insignificant figures, became the great new development in the campaign, winning a comfortable first place, with a substantial lead, in the public opinion polls between April and the present.

With his promise to establish risk capitalism in Brazil, the favorite son orchestrated his campaign within the traditional limits of the majority of the Brazilian electorate—the same group which elected Dutra, Juscelino Kubitschek, and Janio Quadros. Brizola then found himself pushed to the opposite side, that which succeeded in raising Getulio Vargas to power by its votes in 1950. Disappointed in his hope of winning the conservative vote thanks on the basis of fear of the Red specter of the PT, this political boss settled into a comfortable second place, as compared to his competitors lower down, but persistently distant from the runaway favorite.

This situation, which was practically repeated without change in the electoral poll charts 6 months ago, still does not justify any prediction as to what the final result of the presidential election in November will be, but it does serve to delineate the ideological camps in which the battle for the vote will be waged. The 14 percent consistently obtained by Leonel Brizola represents the most sizable electoral ante in the Brazilian leftist vote, which also has available to it the chips in the hands of Luiz Inacio Lula da Silva, a falling star with 5.7 percent; Mario Covas, with his deceptive quota of 5.2 percent; and Roberto Freire, who defines the size of the Brazilian Communist Party (PCB) at a mere 1.5 percent of the voters.

The centrist electorate is now showing some timid movement, but it has already made it clear it is not prepared to surrender the second round to the left wing alone, as it was thought at the beginning of the year might happen. Collor has seen a decline, although it is not such as to justify any real hopes for Brizola, his closest competitor, as yet. Among other things because the votes lost by the favorite are not switching over to the ranks of the Brizola supporters, but are clearly being distributed between two candidates located in the middle range and vying for third place—Paulo Maluf, with 7.5 percent, and Guilherme Afif Domingos, who between May to the present has seen a rise from 0.6 percent to 6.1 percent, thus leaving the group which brings up the rear and beginning to dream of the possibility of participating in the main contest.

In other words, while Collor's support is declining (although he still has almost three times the advocates the man in second place, Brizola, does) and Maluf and Afif are gaining supporters, the polls continue to show the traditional tendency of Brazilian society to seek centrist solutions, leaving the left wing in the background, with its eternal electoral offering. This is so true that if the trends indicated to date by the poll charts curves are transformed into votes, former Governor Leonel Brizola will be seen to have the same electoral weight, 29 years later, as he did in 1960. In other words,

he may reach the second round, but he will not compete therein against another leftist candidate, and he could then hardly avoid facing the electoral prerationality of a society which, when the moment comes to decide, always chooses the centrist path. At least this is the route toward which the polls point.

* Arianespace Assures Liquid Fuel Technology

90ET0003a Sao Paulo GAZETA MERCANTIL in Portuguese 23-25 Sep 89 p 16

[Article by Veronica Couto]

[Text] Rio de Janeiro—The director general for international affairs of the European consortium Arianespace, Klaus Iserland, was in Brazil last week to work out the details of the technological transfer program to be implemented in the event that this enterprise is chosen by Telebras [Brazilian Telecommunications, Inc.] to supply the rocket launchers for the next Brasilsat communications satellites, numbers 4 and 5. The decision to establish a technological agreement with Brazil, which was made about 15 days ago by French President Francois Mitterrand, went against pressures from the United States which did, on the other hand, lead to the withdrawal from the bidding of German, Italian, and English businesses, which are minority partners of Arianespace, according to sources at the consortium itself.

The United States challenged the plans for the transfer of French technology, which included support for Brazilian training in the production of space vehicles using liquid fuel propulsion systems, based on the treaty on nonproliferation of ballistic missiles signed by the seven great powers (Germany, Italy, England, the United States, France, Spain, and Japan), which forbids the supply of what is termed "sensitive technology" outside the boundaries of the signatory countries. The participants in the Arianespace consortium include France, which has 60 percent of the shares, and Germany, which has 20 percent, while the balance is distributed among England, Italy, Switzerland, and Belgium.

Iserland stated at a press conference held in Rio on Friday that he is concerned about the delay in the announcement by Telebras of the decision on the bids for the purchase of rocket launchers, which was scheduled for last June. He said that the change in the time periods for the project may compromise not only Brazil's telecommunications capacity (with the expiration of the satellites in orbit, Brasilsat 1 and 2), but also the conditions for technological development between the two countries.

"The preparations for this bidding competition have already taken a year and a half; the construction of the satellites requires 3 more years; and 6 additional months are needed to obtain the launchers," Jacques Louis Mercier, the director of Montemer International, which represents Arianespace in Brazil, explained. He warned that the useful life of the satellites now in operation will come to an end in 1993 and 1995.

The transfer of technology, one of the requirements in the specifications, would be effected by Arianespace, in conjunction with the Aerospace Technology Center (CTA), covering the development of the Brazilian launching vehicle, which uses solid fuel and is already well-advanced, and also the free launching of scientific satellites of up to 50 kg.

The most important aspect, however, is the "know-how" for liquid fuel propulsion systems, which make it possible to launch more powerful satellites, such as the SO communications type, which carry 4.5 tons to up to 36,000 km away from earth. The solid fuel propulsion launcher which Brazil is planning at the CTA, for example, carries a weight of 200 kg and has a range of only 1,000 km. In order to be able to produce its own rocket for the number 5 and 6 communications satellites by the year 2000, Brazil needs to make an investment estimated at about $500 million, Iserland said.

Chile

Purchase of U.S.-Made Helicopters Reported

PY2510132289 Santiago Domestic Service in Spanish 0930 GMT 25 Oct 89

[Text] The British weekly magazine JANE's reports that Chile has bought 15 U.S.-made helicopters despite the U.S. embargo on military equipment for Chile. According to the issue of JANE's magazine that will be released on 28 October, Chile has purchased 15 Enstrom 280-FX helicopters for its Army.

The author of the article states that he does not know how the Chilean Army was able to purchase these helicopters, since the U.S. Congress has prohibited sales to Chile.

Scheduled Visit by Poland's Walesa Suspended

PY2410201089 Madrid EFE in Spanish 1247 GMT 24 Oct 89

[Text] Santiago, 24 Oct (EFE)—Union sources today confirmed that the visit Polish leader Lech Walesa was to make to Chile has been suspended. Walesa was scheduled to arrive this week to express solidarity with union leaders Manuel Bustos and Arturo Martinez, who were exiled to distant areas of the country.

Last night, however, the military regime headed by General Pinochet granted a pardon to the union leaders, who have served 404 days of banishment (internal exile) of the 541-day sentence imposed by the courts.

In a telephone conversation with Radio Mineria of Santiago this morning, Manuel Bustos said from Parral—341 km south of Santiago, where he has been serving his banishment sentence—that he talked to Europe this morning and that an agreement was reached to suspend Walesa's trip.

Bustos said that the trip had been suspended because the objective of the Polish leader's visit was fulfilled last night when the pardon was issued for him and Martinez.

Errazuriz Regrets Suspension of Walesa's Visit

PY2510134689 Santiago Domestic Service in Spanish 2200 GMT 24 Oct 89

[Text] Foreign Minister Hernan Felipe Errazuriz has said that he regrets the suspension of Polish union leader Lech Walesa's visit to Chile. He said that it would have been a good opportunity for him to learn the real situation in Chile and to see how our country is progressing.

The foreign minister has added that the Venezuelan Government should worry more about the serious socio-economic problems in Venezuela instead of meddling in Chilean domestic affairs.

Errazuriz has also released an official communique on Peruvian President Alan Garcia's recent remarks over the granting of an outlet to the Pacific Ocean. He said he had spoken about this matter on the telephone with the Peruvian Foreign Ministry .

Hungarian Industry Minister Arrives in Chile

PY2510133689 Santiago Domestic Service in Spanish 0930 GMT 25 Oct 89

[Text] Hungarian Industry Minister Ferenc Horvath has arrived in Chile to strengthen Hungarian-Chilean trade ties. Relations had deteriorated, but Hungary has modified its political system, which was Communist until yesterday.

The Hungarian minister will remain in Chile for 2 days, during which time he will meet with high-ranking government officials to discuss trade issues.

Horvath said that there have been political changes in his country. In fact, Hungary is now a Republic, which means that it will now adopt new economic structures and a free-market system.

[Begin Horvath recording in Hungarian, simultaneously translated into Spanish] Government participation in the economy will be substantially reduced in Hungary. We count on the presence of a strong private sector and foreign capital. We want better economic distribution. We favor some social aspects in the economy. [end recording]

The Hungarian minister said that the political changes in the country imply that there will be free and democratic elections and greater participation of the private sector in the economy.

These changes will allow Hungary to come closer to Chile and other western countries and adopt their socio-economic policy, Horvath said.

System To Be Dismantled, Says Zaldivar

PY2410234289 Santiago Domestic Service in Spanish 2200 GMT 24 Oct 89

[Text] Andres Zaldivar, president of the Christian Democatic Party [PDC], has reiterated that the current institutional system will be dismantled by an eventual government headed by Patricio Aylwin. He noted that, as a consequence, the laws recently enacted by the current government will be abrogated.

Despite the harshness of his first statement, Zaldivar then went on to explain that no law passed by the current regime that intends to violate the will of the majority of the Chilean people will be retained.

Zaldivar said that, eventually, this process will be carried out within the framework of the law, and for this we need a parliament that will help us carry out this task.

Zaldivar also reiterated that he was making this statement because he believes that this government has had no right to legislate since 5 October 1988 [when the "no-vote" won the plebiscite].

Former PCCh Leader on Coalition, Armed Forces

PY2410145289 Santiago APSI in Spanish 16-22 Oct 89 pp 12, 13, 15

[Interview with former Communist Party of Chile Secretary General Luis Corvalan by Jorge Andres Richards upon returning to Chile from exile in Moscow—date and place not given]

[Excerpts] [Passage omitted] [Richards] What are you going to do in Chile?
[Corvalan] I am going to fight and participate in the struggle of the Chilean people. I will carry out the tasks assigned to me by the party. I think that I will also have to give a little help to our candidates in the electoral process.

[Richards] Are you going to continue as the top public figure for the PCCh [Communist Party of Chile], regardless of the fact that there is a new secretary general?
[Corvalan] I am not in a position to be a public figure.

[Richards] Excuse me, but you have been the secretary general of the PCCh for 30 years.
[Corvalan] Although you may not believe it, I am not willing to become a public figure. If I am told to support the electoral task, I am going to do so. But if I am instructed to play the part of a public personality, I am going to ask them, even in the name of God, not to give me such a task. [passage omitted]

[Richards] Why hasn't the PCCh joined the coalition?
[Corvalan] It is a class problem. I do not want to comment further on this topic.

[Richards] Are you worried that the PCCh is not participating in that coalition, perhaps the largest coalition in all of Chile's political history?

[Corvalan] We have been concerned with the unity of the working class, the left, the people, and all democratic forces. We are not ready, however, to join any coalition or alliance. We would have liked to join the coalition, but it did not happen and it is not worrying us. We have very strong ties with the people, with the left, and with opposition sectors. Above all these differences there is great understanding and a great common consensus taking place toward recovering democracy. [passage omitted]

[Richards] What will be your stand on the Aylwin government?
[Corvalan] We will do everything possible for the success of that government in solving the essential problems and in carrying out the urgent changes needed to democratize this country.

[Richards] What does that mean?
[Corvalan] That means the dismantling of Pinochet's current institutional system, with no hesitation. That means changing the Constitution and redemocratizing the judicial branch to make it truly independent and honest.

[Richards] Do you think that it is currently not independent or honest?
[Corvalan] Of course it isn't, although there are a few exceptions. The judicial branch has been the dictatorship's accomplice and has favored all the barbarous crimes committed during this period. Consequently it must be democratized. There must be a different judicial branch.

[Richards] And the Armed Forces?
[Corvalan] They have to change. They cannot keep thinking that the Chilean people is their main enemy.

[Richards] How should the Armed Forces be changed?
[Corvalan] To have trustworthy Armed Forces, in accordance with the transition, we must begin by ousting Pinochet and changing all the commanders in chief and the chief officers who have played important roles during the dictatorship. Talks must then be held with the Armed Forces. The role they will play must be decided on by the democratic forces as a whole. The people's voice must be heard on this topic, because no one can claim to have the ultimate recipe for the role of the Armed Forces. This must be the result of a profound debate among the political forces, the people, and the Armed Forces themselves.

[Richards] What should be done with Pinochet?
[Corvalan] He should be brought to trial.

Explosion in Civil Defense Office; No Victims

PY2510140889 Santiago Domestic Service in Spanish 0930 GMT 25 Oct 89

[Text] A bomb exploded at the entrance of a Civil Defense office in Maipu District causing considerable property damage but no victims. The office, which is located at 2500 Chile Avenue, had 14 windows and its gratings damaged. The bomb contained 250 grams of ANFO [Ammonium Nitrate-fuel Oil blasting agents] and had an automatic detonator.

The Civil Defense office personnel did not provide much information about the damage to the office, but they expressed their repudiation of this terrorist act which damaged community property.

Quarterly Official Report on AIDS Made Public

PY2410182389 Santiago EL MERCURIO in Spanish 18 Oct 89 p C-11

[Summary] The 15 declared cases of AIDS reported for the July-August-September period brings the total numbers of cases reported in the country since 1984 to 164. In the past 5 years 71 people have died of this disease.

Colombia

Supreme Court Rejects Extraditions to U.S.

PA2410175489 Hamburg DPA in Spanish 1625 GMT 24 Oct 89

[Text] Bogota, 24 October (DPA)—The government's 18 August State of Siege Decree which established that Colombians could be extradited through the executive branch to the United States has apparently been left without any legal basis by the Colombian Supreme Court of Justice. The Court's ruling has already prompted a polemic in Colombia

According to the highest court, the executive branch is only authorized to order extraditions if there is no extradition treaty between Colombia and the country asking for the extradition.

However, according to the Supreme Court, there is a valid extradition treaty between Colombia and the United States that dates back to 1888. A 1979 law that allowed local officials to send mafia members out of the country was suspended 3 years ago due to "defects of form."

Executive branch extraditions are one of the main measures issued by President Virgilio Barco's Government in the so-called antidrug "war" that has been going on in Colombia for more than 2 months.

Based on the state of siege decree—in which the country has been for the past 5 years—four alleged mafia drug leaders have been extradited.

Eduardo Martinez Romero, the alleged "financial head" of the Medellin Cartel, was sent to the Atlanta Federal Court on 6 September. He is charged with being the "brain" in a money-laundering operation.

Beatriz Rodriguez Zuniga, Bernardo Pelaez Roldan, and Victor Roberto Carlini were taken out of Colombia by U.S. antidrug (DEA) agents on 16 October. They are charged with being members of the same criminal drug organization, the Medellin Cartel.

The Supreme Court's opinion could jeopardize the extradition to the United States of Rafael Amaya Silva, considered to be the fourth ranking officer of the

Medellin Cartel. The Justice Ministry had notififed Amaya Silva within the past several hours that he was to be transferred to Oklahoma.

Yesterday, "the extraditables" sent a message to Senate President Luis Guillermo Giraldo. The cocaine trafficking bands once again insisted on holding a dialogue with the government to find a peaceful solution to the violence that has sprung up over the past few weeks.

The letter sent by "the extraditables" reaffirmed that the drug business could end with negotiation and also asked the executive branch to implement the Supreme Court's ruling that leaves without any legal basis the extradition of nationals to the United States.

Plan To Continue Extraditions

PA2510015789 Bogota Inravision Television Cadena 2 in Spanish 0005 GMT 25 Oct 89

[Report by Pilar Calderon]

[Text] The government said today that it will continue to extradite Colombian citizens sought by the United States. The government will use administrative channels, because there is currently no extradition treaty with that country.

In a communique issued by the National Security Council, the executive branch also denied any possibility of participating in a dialogue with drug traffickers.

The National Security Council's communique states that the government policy is to struggle against drug-trafficking groups and their criminal organizations. The communique adds that the policy allows no room for transactions, negotiations, or dialogues. Therefore, the government rejects any proposal to mediate with drug traffickers—even if the proposal is directly issued by The Extraditables or their spokesmen.

The communique states that the government has announced that it will continue to enforce Legislative Decree 18-60 of 1989, which allows for extraditions through administrative channels. This decree was unanimously approved by the Supreme Court of Justice.

The National Security Council justifies its decision by recalling the many acts of terrorism perpetrated by drug traffickers—222 in 2 months—and the names of the victims. The communique says that the drug traffickers are now trying to disguise their criminal positions by claiming that they advocate peace.

The discussions about the enforcement or suspension of Colombian citizens' extradition was the main topic discussed today in juridical and political circles in our country and in the United States. Journalists and lawyers carefully read the Supreme Court of Justice's ruling on the decree allowing for extraditions through administrative channels. Everyone wanted to know why The Extraditables said, in a letter issued yesterday, that they fully abided by the court's ruling.

The court ruled that, although the extraditions via administrative channels are allowed by the Constitution in cases where there is already an international treaty, the extradition must be carried out according to the treaty. The court believes that the ruling is quite clear.

[Begin Government Minister Carlos Lemos recording] The government must decide if there is a treaty with the United States or not before it enforces the extradition through administrative channels. [end recording]

Nevertheless, the court's ruling does not end the extraditions to the United States because, even though the court believes that an extradition treaty is still in effect with that country—the one signed in 1888—and that it should be enforced instead of resorting to extraditions through administrative channels, the government clearly says there is no extradition treaty with the United States.

[Begin Government Minister Carlos Lemos recording] The 1979 Treaty had been annulled by the Supreme Court of Justice, but according to the state council, that treaty replaced—so to speak—the 1933 Treaty signed in Montevideo and the 1888 Treaty. Therefore, things are now the same as yesterday or the day before. [end recording]

Meanwhile, the bodyguard of EL ESPECTADOR's chief of distribution in Medellin, Pedro Luis Osorio, was assassinated this afternoon in a downtown area of Antioquia's capital.

Drug Traffickers Attempt To Contact M-19, UP

PA2510030989 Bogota EL TIEMPO in Spanish 20 Oct 89 p 1

[Text] Drug traffickers, particularly Gonzalo Rodriguez Gacha, have been trying to contact the Revolutionary Armed Forces of Colombia [FARC], the 19 April Movement [M-19], and the Patriotic Unity [UP] in the past few weeks.

Although Rodriguez Gacha's proposal has not yet received a yes or no reply, both the guerrillas and the UP have indeed received some indications that the drug trafficker wants to talk with them.

Not only that, UP presidential candidate Bernardo Ossas told EL TIEMPO that a Medellin lawyer phoned him several days ago to ask for his opinion on a possible UP-drug traffickers dialogue.

Jaramillo Ossa replied he advocates dialogue but that it is impossible to talk over the debris that terrorism leaves.

[In a short report at 0000 GMT on 25 October, Bogota Inravision Television Cadena 2 in Spanish says: "A letter signed by Gonzalo Rodriguez Gacha was published today with his fingerprint appearing beside his signature. In the letter, Rodriguez Gacha denied he had proposed an alliance with FARC, as LA PRENSA newspaper reported."]

Reaction to 'Extraditables' Proposal Positive

PA2410200289 Paris AFP in Spanish 1745 GMT 24 Oct 89

[Text] Bogota, 24 Oct (AFP)—The possibilities for a dialogue with drug traffickers have increased in Colombia during the past few hours after The Extraditables announced they are willing to end the war.

Three of the leaders mentioned in The Extraditables' letter that contained a proposal to take part in a commission that would reportedly begin making contacts for the dialogue today accepted the mission and said that they are ready to cooperate in the country's peace efforts.

They are Medellin Mayor Juan Gomez Martinez, former Liberal legislator Guido Parra, and former Conservative Minister Joaquin Vallejo. Meanwhile, Cardinal Mario Revollo said that "the matter must be studied."

The extraditables proposed creating a negotiating commission in a letter sent from clandestinity to Liberal Senator Luis Guillermo Giraldo, president of the National Congress.

The possibility of a dialogue is under consideration by some political groups, despite the position assumed by the government of Liberal President Virgilio Barco, who has repeatedly stated his opposition to any step leading to negotiations with drug traffickers and drug terrorists.

Barco, through Government (Interior) Minister Carlos Lemos, has publicly said that a dialogue with terrorism is impossible, at least in the near future.

In view of the situation, some political sectors have speculated on the possibility of negotiations between Barco's successor, who will be elected in free elections in May 1990. Barco will leave power on 7 August 1990.

The mafia has promised to end the wave of terrorism unleashed several weeks ago if Barco's government suspends the extradition of drug traffickers to the United States.

They have also proposed accepting the decision of the Supreme Court of Justice, which recognized the legality of the measures adopted to face the mafias, but did not recommend extradition by executive decree.

The court ruled that international law prevails over Colombian law, and noted that extradition through a state of siege decree is not compatible with the current Colombian-U.S. treaty.

Colombia and the United States signed an extradition treaty in 1979 which, although it is still in effect, cannot be applied because at the end of 1987 the Supreme Court itself invalidated the law that enforced it.

However, several Colombian jurists said today that only the Colombian Foreign Ministry can determine whether to accept the court's decision or to continue acting by executive decree.

In their peace proposal, the extraditables demanded that the government "grant Colombians their legitimate right to defense, allowing them—as deported foreigners are allowed—to exhaust all legal means under administrative law before renouncing sovereignty and turning them over by extradition."

Vallejo, Parra, and Gomez Martinez—the three members proposed by the mafia to participate in the negotiating commission—said today that they are willing to work in favor of peace in the country. They agreed that differences can only be eased through dialogue.

"I am willing to talk," said Gomez Martinez, mayor of Medellin, where the Medellin Cartel operates. Over a year ago, Gomez Martinez was the target of an attack by the extraditables, who tried to kidnap him. "I am waiting for the government's okey to begin the dialogue," he added.

Vallejo, who disclosed that in mid-1988 he presented to Barco's government an initial dialogue proposal from The Extraditables, said that "I am willing to talk in order to achieve peace."

Parra, a former parliamentarian and friend of Pablo Escobar, the Medellin Cartel's chief, said that "I am willing to contribute to the peace efforts."

Other sectors, particularly political groups, agreed that negotiation is the only way to put an end to terrorist violence in Colombia.

Medellin Mayor To Participate in Commission

PA2410154889 Bogota Radio Cadena Nacional in Spanish 1212 GMT 24 Oct 89

[Text] Medellin Mayor Juan Gomez Martinez agreed to participate in a national dialogue commission as proposed by the group called The Extraditables in a letter sent to Senate President Luis Guillermo Giraldo.

In their letter, the extraditables indicated that they are willing to suspend their drug trafficking activities if the government agrees to suspend the extradition of Colombians to the United States and if the government creates a commission of notables that can promote a dialogue on the important issues of the country.

I would be willing to participate in those talks if the government accepts the proposal, Gomez Martinez said.

Meanwhile, the position of other people mentioned by the extraditables in their letter, such as Carlos Jimenez Gomez [former attorney general and former member of a dialogue and verification commission]; Cardinals Alfonso Lopez Trujillo and Mario Revollo Bravo; Guido Parra [not further identified]; and former Minister Joaquin Vallejo Arbelaez is still unknown.

President Virgilio Barco Vargas did not make any comment concerning the latest letter sent by the extraditables. Barco held an informal meeting with journalists at the Narino Presidential Palace following a meeting

with the editors of VANGUARDIA LIBERAL, EL ESPECTADOR, and EL TIEMPO.

Moreover, [Medellin Cartel leader] Gonzalo Rodriguez Gacha sent a letter to LA PRENSA Editor Juan Carlos Pastrana denying he had sent a letter to the Revolutionary Armed Forces of Colombia [FARC] proposing an alliance with the guerrilla group. The truth is that such a letter does not exist and I have not sent a letter to any of the persons mentioned in your newspaper, Rodriguez Gacha said in his message to LA PRENSA.

Meanwhile, in statements to a Madrid newspaper, Cardinal Alfonso Lopez Trujillo said his church has not received a single penny from the drug traffickers. As for the dialogue commission, he said the issue should be reviewed on another level.

Murder of Bishop Creates Split Within ELN

PA2510125889 Bogota EL TIEMPO in Spanish 20 Oct 89 p 8-A

[Text] A split within the Army of National Liberation [ELN] became apparent on 19 October. Even though the ELN's top leadership had forbidden the murder, the Domingo Lain Front claimed responsibility for assassinating Arauca Bishop Msgr Emilio Jaramillo Monsalve on 14 October.

The Domingo Lain Front sent a communique on 19 October saying that "the obstinate meddling of Arauca Bishop Jesus Emilio Jaramillo Monsalve in the front's domestic matters was the reason for his execution. His intentions for mediating before the government and the ruling classes was nothing more than a fabricated hoax with the oligarchy that serves U.S. imperialism, in another attempt to try and prevent the organization from continuing to develop its struggle to defend natural resources."

The message from the subversive front was handed to various Arauca Intendance authorities on 19 October and was sent immediately to the Ministry of Defense in Bogota. Military intelligence has begun to evaluate the communique.

In other parts of the communique, the Domingo Lain Front states that "the clergy's intervention in revolutionary struggles has not had nor will it have any reaction within the organization while the oligarchy continues playing into the hands of foreign corporations."

Army: ELN Led by Priests

PA2510040789 Paris AFP in Spanish 0705 GMT 24 Oct 89

[Text] Bogota, 23 Oct (AFP)—A total of 29 Catholic priests, among them 10 Spaniards, are the leaders of the National Army of Liberation (ELN, pro-Cuban) guerrilla group operating in the eastern and northeastern part of Colombia, according to the TV-HOY newscast, which cites a military report it claims to have obtained exclusively.

The newscast shows several foreign priests, among them Manuel Perez (alias Poliarco or Captain Felix), the leader of the organization, giving military training to the subversives.

Perez, who was born in the Spanish Province of Zaragoza, joined the ELN 20 years ago when he was a member of the Golconda group made up of [words indistinct], led by Colombian Camilo Torres, who 15 years ago died in clashes with the army.

The newscast, also quoting the alleged military intelligence document, claims that there is deep disagreement within the ELN because the supreme leader is a foreigner. Apparently the rift worsened after the subversive group claimed credit for the murder of the Bishop of Arauca Jesus Emiliano Jaramillo on 3 October.

According to the newscast, two other Colombian priests, Celio Caicedo and Pedro Nel Beltran, work for the Maoist Popular Liberation Army (EPL) and the pro-Soviet Revolutionary Armed Forces of Colombia (FARC), respectively.

The newscast claims that many priests and nuns are linked to the guerrillas as auxiliaries, informers, agitators, recruiters, and members of the extremists' support systems.

TV-HOY also said that many priests, whose names and in some cases even ages and heights were given, work in towns and villages in the provinces of Cordoba, Santander, and Bolivar or as teachers in the schools along the northern coast.

Besides Manuel Perez, apparently responsible for the wave of dynamite attacks against Colombia's oil system, whose nationalization is demanded by the ELN, the newscast also reported the following list of Spanish priests linked to the subversives: Alfredo de la Fuente Recio, alias Lucho or Rubiel, born in Valladolid; Juan Jose Galan Galan, from Guadalajara; Miguel Nevado Nevado, from Cordoba; Miguel Linares Troyano, from Vigo; Vicente Tonicell; Luis Delano; Jose Luis Vecina; Vicente Ordaza Gomez; and Jose Luis del Amo Calvo.

Among the Colombians, the newscast listed Everardo de Jesus Ramirez, the "Red Priest," well known for his rebel activities in Cartagena and Barranquilla.

Church Denies ELN Link

PA2510043189 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 25 Oct 89

[Passages within quotation marks recorded]

[Text] The Episcopal Conference rejected in a communique today the report linking several Spanish and Colombian priests with the National Liberation Army [ELN]. The Episcopal Conference states that at least 11 of the priests mentioned have left the priesthood and others no longer live in our country. Hernando Ferral has

further details on this. In addition, our correspondents on the coast interviewed some Catholic leaders.

[Ferral] "The first conclusion one reaches after reading the list of approximately 26 priests who are supposedly linked to the [words indistinct]. Some of those mentioned worked in towns on the coast but that was 15 years ago. Several of them—most particularly the Spanish priests—left the country several years ago. Others left the church and are now parents. Still others have died, like Father Vicente Ordaza, who was murdered in Ecuador 10 years ago.

"The Jesuit community is indignant because Father Gabriel Vallejo Mejia has been listed as a member of the ELN. Vallejo is one of the best liked and prestigious priests in that community. His brother is former cabinet minister Hernan Vallejo Mejia, who has never been known to have even the slightest links with the rebel groups. Although it is true that some of the priests mentioned may have known about the ELN, most priests simply worked over 15 years ago with the peasant communities. In several places in the country, the Church has rejected the famous black lists, which this time affected the clergy."

[Msgr Jesus Maria Torres, archbishop of Barranquilla] "For instance, one of those included on the list is a priest named Castro who was here in Barranquilla but left at least 20 years ago. So, he has nothing to do with us at this time."

[Msgr Carlos Ruiseco, archbishop of Cartagena] "Other gentlemen, like Julio Rebollo and Aquilino Amaranto, are mentioned as belonging to the Bayunca Parish, and this is absolutely false. These gentlemen do not appear in our files, and the Bayunca Parish has not had a resident priest for many, many years."

[Everardo Ramirez, former priest on the black list] "The guerrillas and the Extraditables are asking for mediation by the Church, so this is an attempt to discredit the Church as a mediator in order to prevent that mediation and, naturally, to throw a bucket of dirty water in its face, so to speak."

M-19 Suppports Pardon for Guerrillas, Soldiers

PA2510040089 Madrid EFE in Spanish 0438 GMT 21 Oct 89

[Text] Bogota, 20 Oct (EFE)—Carlos Pizarro Leongomez, general commander of the 19 April Movement (M-19) guerrilla group, said today that he agrees that the pardon for left-wing guerrillas should also benefit members of the Armed Forces who have committed excesses.

Pizarro Leongomez, whose organization will benefit from a pardon bill which the Colombian Government sent this week to congress, made the statement at his camp in the mountains of southwestern Colombia during an interview he granted today to the Colombian Radio Network [Cadena Radial Colombiana, CARACOL].

The pardon bill sent to congress is for the benefit of all members of the M-19 and all guerrillas whose organizations—as the M-19 has done—accept the peace plan put forward by President Virgilio Barco on 1 September 1988.

Pizarro said that in his opinion it would be fair to enrich the pardon bill, "as an effort toward national reconciliation," with arrangements to include—in addition to the guerrillas—the members of the Armed Forces who "committed excesses" during combat with the subversives.

The guerrilla commander admitted that during a war excesses are committed by all the sides involved.

The M-19, which accepted Barco's peace plan, has already announced that it will demobilize, surrender its weapons to an international organization, and become a legal political party during the course of the next few weeks, at the same time the pardon is implemented.

Police Officers Suspended for Drug Links

PA2410122989 Bogota Inravision Television Cadena 2 in Spanish 0000 GMT 18 Oct 89

[Text] Two high-ranking officers have been suspended from their posts while they are being investigated for alleged links with drug traffickers. Our reporters learned that a recording was made of a telephone call by one of the officers, apparently offering to mediate to obtain the release of an imprisoned extraditable. However, one of these officers told our reporter that he has nothing to do with the drug trade.

The police directorate neither confirmed nor denied today that the two officers had been suspended while an investigation is being conducted. Police spokesmen merely showed our reporter Decree 96 of 6 October, in which Major Guillermo Correa was temporarily separated from service on government orders.

Major Hector Lamprea, coordinator of police patrols in Bogota, was suspended today. According to the police, these surprise separations are effected when officers are to be investigated. Police spokesmen did not discard the possibility that this could be the case with Majors Correa and Lamprea, suspended at a time when the police is not granting leave to any of its personnel.

Meanwhile, our reporters have learned that telephone calls were made from a police office to the sister of one of the arrested extraditables. An officer had supposedly offered to resolve the situation of the prisoner. The calls were traced and are the basis for the investigation being made, according to an official source.

Today, Maj Guillermo Correa denied to our reporter any link with the drug traade.

[Begin Correa recording] All of us officers who are being separated now are being labeled as having links with the drug traffickers. I was at the Information and Press Office filling out some documents, and I was surprised at this information that you have just given me. There is

nothing against me, not even in my mind. On the contrary, during my years in the police force I have fought drug trafficking, organized crime, and terrorism. Perhaps the high command decided that I had done enough, and called me in. Like I said, I go out with my head held high. [end recording]

Car Bomb Explodes in Cartagena; 2 Injured

PA2510050089 Paris AFP in Spanish
0408 GMT 25 Oct 89

[Excerpt] Cartagena, Colombia, 24 Oct (AFP)—The police have reported that a carbomb exploded tonight in a residential sector in this Colombian port of Cartagena, slightly injuring only two people, but causing much damage. The bomb seriously damaged the telephone exchange of the Bocagrande tourist and residential district, a hotel, a restaurant, two medical clinics, and a construction site.

According to one of the two women who were slightly injured, the bomb was placed by two men in a car, which they hurriedly abandoned 40 meters from the telephone office.

The area, which was blacked out when the electric lines were destroyed and was littered with glass, was cordoned off by police, who launched a search throughout the city for the terrorists.

Sergeant Martinez of the Fire Department said that the bomb had caused much damage, although he abstained from giving an estimate until the buildings are examined.

Although no one has claimed credit for the bombing, press sectors blamed it on the drug mafia against whom the government has declared war. [passage omitted]

Galan Widow Appointed Ambassador to Yugoslavia

PA2410141989 Bogota EL SIGLO in Spanish
12 Oct 89 p 3-A

[Text] Colombian Foreign Minister Julio Londono Paredes today swore in Mrs Gloria Pachon de Galan [widow of slain presidential candidate Luis Carlos Galan Sarmiento] as the new Colombian ambassador to Yugoslavia. The ceremony was held at San Carlos Palace.

Ecuador

Government Takes Steps 'To Liberalize' Economy

PA2110191789 Hamburg DPA in Spanish
1748 GMT 21 Oct 89

[Text] Quito, 21 Oct (DPA)—The social democratic Ecuadoran Government today took steps to liberalize the economy and adopted a package of measures "to speed up the reactivation" and "to respond to the new economic situation."

The measures that will take effect on 23 October, include adjusting the exchange rate to make exports more competitive, lifting import restrictions, reducing banking controls, activities, and opening credit lines to promote production activities.

"We are on an economic reactivation course that is going more rapidly than expected," said Monetary Board President Abelardo Pachano upon announcing the measures, which were adopted following a week of intensive rumors and speculation that made the free U.S. dollar exchange rate climb for the first time during the 14 months this administration has been in power.

In August 1988, when President Rodrigo Borja took office, the authorities handling economic matters launched a draconian adjustment plan to help the economy recover following a complete slump in all economic indicators during the administration of conservative President Leon Febres-Cordero.

"The recovery is now a reality," Pachano said when making the announcement, which he backed up with economic figures. Above all, Pachano announced that the monetary reserves now reflect a positive balance of $67.4 million after having reflected a negative balance of $320.9 million at the end of the previous government's term.

Managerial leaders linked to the rightist opposition had criticized the social democratic regime's handling of the economy, describing it as "recessionary." The government reacted by announcing an "upcoming opening" which materialized today with the announcement of the liberalization measures. The government said the measures "respond to a new reality following the bankruptcy inherited 14 months ago."

Oil Company Denies Direct Sales to Cuba

PA2410163689 Quito EL COMERCIO in Spanish
12 Oct 89 p A-11

[Text] Luis Roman, executive president of PETROECUADOR [Ecuadoran State Petroleum Enterprise], has said that the enterprise has not sold petroleum to Cuba. Any crude oil that has or will be delivered would be from one of our clients, he said.

From other sources it was learned that the delivery was made by the Tricentrol company, which has a petroleum purchase contract with PETROECUADOR.

The state-owned enterprise exports approximately 157,000 barrels of oil in long-term contracts with 11 companies, none of which are Cuban.

Roman did not rule out the possibility of analyzing, in the future, the convenience of selling petroleum or its byproducts to Cuba. He said that PETROECUADOR considers all possible prospects to guarantee the country's optimum export of its hydrocarbons. Roman's comments refer to information given to this newspaper during an exclusive interview with Ernesto Melendez, minister president of the Cuban State Committee for Economic Cooperation, about

an Ecuador-Cuba-Soviet Union triangular operation through which 350,000 barrels of Ecuadoran petroleum were shipped to Cuba on 26 September.

Paraguay

Special Colorado Convention To Be Held

PY2410204889 Asuncion HOY in Spanish 24 Oct 89 p 6

[Excerpts] Dr Juan Ramon Chaves, president of the executive board of the Republican National Association (ANR), affirmed yesterday that a special Colorado convention to restructure the party's executive board and to reform the party statutes will be held. Dr Chaves said this as the requests for such a special convention from 230 party chapters from all over the country were given to him.

The folder containing the requests for the spcial Colorado convention and the Coronel Oviedo Proclamation was delivered to Dr Chaves in his office by a delegation headed by Dr Juan Manuel Cano Melgarejo, public health minister and Coronel Oviedo, party chapter president. Melgarejo explained to the party president the reasons for the petition.

The president of the party executive board thanked the rank-and-file leaders for their presence and gave a brief speech. He said: "I receive these documents with satisfaction. Apparently, they refer to minor things that have to do with the party's daily activities. However, in my view, what you are doing today reflects our party's national character." [passage omitted]

"You have met in Coronel Oviedo to request that a special party convention be held, thus acting in accordance with party regulations. Therefore, the special convention will be held," said Dr Chaves. [passage omitted]

The party president then added: "Let us continue to act in this way in defense of our party and the government of General Andres Rodriguez, who is a good president, a good soldier, and a true Colorado. Those who say that we are plotting against Gen Rodriguez are liars; they are people who want to win the struggle by killing their adversaries. We are different; we want to win with due respect for everyone's life."

Official Radio Network Program Discontinued

PY2210162889 Asuncion ABC COLOR in Spanish 21 Oct 89 p 11

[Text] The Presidency has decided to discontinue one of Radio Nacional's daily network programs as of 23 October. The program that is usually broadcast at 1230 [1530 GMT] will be suspended, and the program aired at 1930 [2230 GMT] will be boradcast at 1900. This program will feature the report on presidential activities issued by the Presidency's undersecretariat of information.

Radio Nacional sources have explained that all stations must join the 1900 network, which will feature a short program, the duration of which will strictly depend on the importance of each subject, "in order to let stations manage their space as they wish."

Regarding a report that Radio Nacional may begin to sell its own space, it has been learned that no decision has yet been made on the subject and that there are no serious plans except for those involving the sports section.

Government Establishes Cable TV Guidelines

PY2110202189 Asuncion ABC COLOR in Spanish 21 Oct 89 p 11

[Excerpt] The national executive branch yesterday issued Decree No 3247 setting forth the rules and regulations for the installation, operation, and exploitation of cable television channels, following the recommendation of the National Telecommunications Administration (ANTELCO) Board of Directors. [passage omitted]

Peru

Garcia Visits Ayacucho, Urges Election Support

PY2410153089 Lima Domestic Service in Spanish 1100 GMT 24 Oct 89

[Text] President Alan Garcia Perez has called for the different political parties to work and fight against the Shining Path. He also asked the different communication media to help voters to cast their ballots in the 12 November municipal elections.

During his unexpected visit to Huamanga, Ayacucho Department, the president urged support for the only candidate for mayor of Ayacucho, Abraham Macizo, calling him a symbol of democracy. Regarding the resignations of 200 candidates for mayor in the emergency zone, President Alan Garcia said that this does not mean that the Shining Path is winning by any means. He said that there are 4,000 candidates who believe in democracy and are still running.

[Madrid EFE in Spanish at 0455 GMT on 24 October in a similar report adds: "The Peruvian president stated that his government has an antisubversive strategy with 160,000 security force troops spread throughout the country 'working to prevent what is now occurring.' He thus answered criticism from the opposition, who is accusing Garcia's administration of not having a plan and of not giving support to the municipal candidates."]

President Garcia Outlines Coca Control Plan

PY2410180789 La Paz EL DIARIO in Spanish 15 Oct 89 Sunday Magazine pp 20, 21

[Article "released to the international press" by Peruvian President Alan Garcia: "Guidelines for an Antidrug Strategy"—date not given]

[Text] The violent events in Colombia and President Geroge Bush's message to the U.S. people have focused

international attention on drug addiction and drug trafficking. I believe that Latin Americans should frankly and directly talk to the U.S. people on this subject.

We welcome President Bush's decision and his call to the American people to curb consumption and to emphasize education. In our opinion, however, the emphasis was on repression and legal sanctions, while the offer to "help" was minimized to a promise of weapons, helicopters, etc.

This offer to help is the proposal's weakest point, not only because of its size in economic terms but because of its means. Only the symptoms of a larger problem will be attacked with weapons and aircraft being made available to governments. The reasons behind this argument are: First, because in Latin America the state does not fully represent a country's society as a whole; and second, because development is more effective than repression. Therefore, making a few weapons available to governments will be of very little help. It will be much more important for the United States to establish economic relations with the smaller farmers and peasants of Peru and Bolivia, a true alliance with the producers. That alliance, to be implemented through the economic market, will transform every farmer in Peru, Bolivia, and Colombia into a staunch soldier in the fight against drug trafficking. Although more complex and costly, I believe that this approach will be more effective than those that have been tried before.

We must very frankly say that economic measures are the only responsible way to fight production.

Peru's richest soil, covering hundreds of thousands of hectares of the Huallaga Valley, are today wasted on cultivating coca plants. The government built roads to help develop the land of the Huallaga Valley into a production center for food for consumption and export, but the demand for coca leaves proved to be stronger. In that region, one hectare planted with coca yields from two to three times more earnings that any other product. To make matters worse, the drug traffickers' terrorist actions block the roads leading out of the Huallaga Valley; the peasants are forced to plant and produce coca, which the drug traffickers eventually export in their own aircraft.

Over the last 10 years, the program to control coca production has been supported with $8.0 million annually. Groups have been formed to actually root out the coca plants by force. This control effort backfired. The Huallaga Valley is settled by some 50,000 to 60,000 families that own 2-4 hectares of land each; this forcible eradication deprives the families of income and can halt the cultivation of another crop for months or years. The result has been spread of subversion.

I believe that the U.S. Government should seek a true and solid alliance with the farmers in the tropical zones of Bolivia, Peru, and Colombia, an alliance aimed at replacing current coca plantations.

Crop substitution raises problems concerning production prices, technology, marketing, industrialization, good roads, and, in certain cases, airlifting export production directly.

A hectare today yields 1,000 kg of coca leaves per year; buyers pay $3.0 per kg. The peasant thus gets $3,000 from each hectare per year. When air transportation to get coca leaves out to a guaranteed and growing market is added, the scale tilts against cultivating products other than coca. For instance, a hectare planted with cofee in the same valley produces 400 kgs. At $2.0 per kg, this brings in an annual income of $800. A hectare of cacao yields 500 kg per year and a kg sells for $1.0; a hectare planted with annato trees produces 60 kg of seeds per year at $0.90 per kg. Under these conditions, only coca is attractive to the farmers. In addition, given the road conditions and the terrorist violence, the shipment of products from inland to the coastal region is nearly impossible. Furthermore, if those products do get to the coast, the merchants get the lion's share of the profit.

Under these circumstances, how could other crops be made to compete with coca? First, an agricultural maintenance and price support fund should be instituted so that peasants can defend themselves against the merchants and receive a greater percentage from international prices.

Second, technical improvements should be made in the production of coffee, cacao, and annato to increase their yield per hectare. The feasibility of this has already been proved with coffee, they yearly production of which was raised from 400 to 1,200 kg and its profit from $800 to $2,400 per hectare per year. This figure is closer to the $3,000 made from coca cultivation. The same thing can be done with other crops.

Third, coffee- and cacao-processing industries should be established in the same areas so as to increase the market value of these staples. If direct air transportation to external markets can also be added, the land-use reconversion ca be immediately accelerated. Furthermore, the United States can play a decisive role. It would be enough to announce that coffee, cacao, and annato produced in the Huallaga Valley in Peru or in Santa Cruz de la Sierra in Bolivia will command prices 30 percent higher for the next 10 years in the U.S. market, where these products will be allowed to enter on a priority basis.

All these measures will accelerate the process of land-use reconversion and transform every peasant into a soldier in the battle against drug trafficking. Concrete targets can be set. If 60 percent of the world's coca leaves are grown in the Huallaga Valley, I am sure that production would drop by 10 percent, to 50 percent, in a 18-month period. If a radar network is installed along the Peruvian-Colombian border as an additional police measure, the supply of cocaine will be greatly reduced. All of this together makes quite a concrete proposal.

Pessimists would argue that coca production will move to other regions in the future. My answer is that the

intervening years will give us time to bring down the consumption fo cocaine in the industrialized countries, where the problem has its true origin. It may also be argued that, although this proposal is more effective, it will require heavy investment. I found this an absurd and antihistorical objection.

I have indeed criticized the mere $260 million of "help" to Bolivia, Peru, and Colombia proposed under the Bush plan, and I have compared this sum to the U.S. military and federal budgets. If, as was emphasized in the U.S. President's message, drug addiction is mankind's worst scourge, there is no balance between allocations for other needs and allocations to curb production in the Andean countries. It must be realized that efforts to eradicate production as well as consumption will require heavy investments. In sum, the fight against coca production can be effectively carried out in the market place. The police repression and media publicity will only produce results in terms of anecdotical or electoral interests. It is not a matter of how much the proposal discussed here will cost; it is a matter of how much will it cost later if we do not implement it now.

With this approach, the peasant can become America's staunchest ally in the fight against drug consumption. The peasant also want to free himself from the drug traffickers. I hope this proposal is considered. Meanwhile, I repeat, we approve of the U.S. determination, we are carrying out the police role with our won means, and we call on the European and Latin American countries to strike a responsible and serious political agreement on this grave issue—and to do so soon.

Terrorists Burn Government, Private Buses

PY2410181989 Madrid EFE in Spanish 0541 GMT 24 Oct 89

[Text] Lima, 24 Oct (TELAM-EFE)—At least six buses from the National Urban Transportation Enterprise (ENATRU) and another one from a private bus company were burned last night in Lima by terrorists, according to ENATRU President Jorge Menesses and the other bus owner.

There were only property damages as a result of the incidents. Four buses were burned in the ENATRU repair shop in Comas District, north of Lima; one was burned in a street in downtown Lima and another in Villa Salvador District while in service, but only after the terrorists made the passengers get off the bus.

The private bus was attacked on Venezuela Avenue near San Marcos University; the criminals, who boarded the bus as passengers, threatened the driver and passengers to make them get off.

State of Emergency Extended to Lima, Callao

PY2510105089 Lima Television Peruana in Spanish 0100 GMT 25 Oct 89

[Text] The government has decreed a 30-day state of emergency in Lima and El Callao as of 23 October to allow the Interior Ministry and the National Police to restablish public order in these provinces.

The decree that was published today in the official gazette EL PERUANO is signed by President Alan Garcia, Prime Minister Guillermo Larco Cox, and Interior Minister Agustin Mantilla.

In view of recent disorders provoked by subversive criminals, the Interior Ministry through Decree 037-89 declares the state of emergency in Lima and El Callao Provinces as of 23 October 1989. Individual liberties established in Article 2, Paragraphs 7, 9, 10, and 20 of the Constitution are therefore suspended.

The Interior Ministry, through the national police will control internal order and will carry out operations permitted by the Constitution and the law as mentioned in Article 1 of this decree.

Uruguay

Interior Minister Resigns; Replacement Named

PY2510010089 Montevideo Radio Carve in Spanish 0000 GMT 25 Oct 89

[Excerpt] Dr (Braulio Rafael Ucaso) will assume the post of interior minister 26 October.

The brand-new interior minister was appointed by the president of the Republic in view of the resignation tendered a few hours ago by Francisco Forteza.

(Ucaso), who until today was chairman of the Social Security Bank, has been an Interior Ministry adviser for 20 years. [passage omitted]

Nearly 2.5 Million Registered To Vote

PY2410182089 Montevideo BUSQUEDA in Spanish 19 Oct 89 p 18

[Excerpt] The Electoral Court confirmed this week that 2,319,022 people are duly registered to vote in the 26 November presidential elections. Of this number, 47.3 percent are Montevideo residents and 52.7 percent are from the country's 18 departments. [passage omitted]

Guyana

20 Percent Fuel Price Increase Announced

FL2310131589 Bonaire Trans World Radio in English 1130 GMT 23 Oct 89

[Text] The Government of Guyana has announced a 20 percent increase in fuel prices. No reason was given, but

speculation is that the increase could be an effort to finance a wage increase that had to be granted to public workers last month. Electricity went up 20 percent less than a month ago.

Sugarcane Workers End 5-Day Strike

FL2410143389 Bonaire Trans World Radio in English 1130 GMT 24 Oct 89

[Text] Sugarworkers in Guyana have ended a 5-day strike. The workers demands for higher salaries have not been met, but they received assurances from the Guyana Sugar Corporation that negotiations will resume.

The strikes have become more common in the sugar industry this year in an ongoing dispute between the government-owned company and workers. The union seeks a 100 Guyana dollar per day wage increase, the government is offering 40 per day.

Suriname

President Returns Because of Boat Hijackings

FL2510124889 Hilversum International Service in English 1030 GMT 25 Oct 89

[Text] The Surinamese president, Ramsewak Shankar, has cut short his visit to Costa Rica and returned to Suriname sooner than expected in the wake of the seizure of two boats of the Surinamese State Navigation Company.

The seizure of the boats on the Coppename River is believed to have been the work of Tucayana Amazon Indians. The two ships had been dispatched last month to replace the regular ferry boats on the Coppename River which had been seized by armed Indians.

Meanwhile, in Eastern Suriname, government soldiers are blocking all civilian traffic to the bauxite mining town of Moengo where the chairman of the Surinamese Parliament, Jaggernath Lachmon, and the rebel group headed by Ronnie Brunswijk and (Kofe Adhin Pang) agreed that the Indians must be included in national peace negotiations.

The National Army is opposed to the existing agreement reached several months ago in Kourou, French Guiana. The Indians are also opposed to the agreement and it is speculated that they are receiving support from within the armed forces.

Assembly Chairman Leaves for Occupied Moengo

FL2310232989 Paramaribo International Service in English 1730 GMT 23 Oct 89

[Text] Assembly Chairman Jaggernath Lachmon has this morning left for the bauxite town of Moengo to talk with the so-called Union for Liberation and Democracy and the jungle commando. During the discussions between Lachmon and the leaders of the jungle commando and the union, among others, normalization of the situation in Moengo and the execution of the Kourou Accord will be discussed. The union has occupied the town for 1 and ½ weeks now and says that it is about the government in the execution of the Kourou Accord.

The invitation to Lachmon for a discussion was made over the weekend by the leader of the group [name indistinct] and the leader of the jungle commando Ronnie Brunswijk. The union and the jungle commando have last week signed a cooperation agreement. Some assembly members and journalists are accompanying the assembly chairman. Moengo is situated in the Marowijne District about 100 km east of Paramaribo.

Party Chairman Says Government Should Resign

FL2310234689 Paramaribo International Service in English 1730 GMT 23 Oct 89

[Text] The chairman of the National Democratic Party, Jules Wijdenbosch, is of the opinion that the current government should resign because of the current political crisis. According to the NDP chairman, the government (?should dissolve) and create a foundation for civil disobedience. Wijdenbosch, who delivered a lecture on 20 October evening for members of his party and interested persons, said that not only people should be replaced but the entire policy of the government, also.

A national dialogue should be started in which hearings are formulated, said the NDP chairman. The national dialogue must result in the formulation of a crisis plan. Strategic investments should be made in the primary sectors on the basis of this crisis plan, said Jules Wijdenbosch last Friday.